



多想雲

MANY IDEA
CLOUD

2024

INTERIM REPORT

Many Idea Cloud Holdings Limited

多想雲控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 6696



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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Liu Jianhui (*Chairman of the Board and Chief Executive Officer*)

Ms. Qu Shuo

Mr. Chen Shancheng

Mr. Chen Zeming

Non-executive Director

Ms. Liu Hong (appointed on 10 January 2024)

Independent Non-executive Directors

Ms. Wang Yingbin

Ms. Wong Yan Ki, Angel

Mr. Tian Tao

Ms. Xiao Huilin

COMPANY SECRETARY

Ms. Tang Wing Shan Winza

(resigned on 26 February 2024)

Ms. Chan Yuen Mui (appointed on 26 February 2024)

AUTHORISED REPRESENTATIVES

Mr. Liu Jianhui

Ms. Tang Wing Shan Winza

(resigned on 26 February 2024)

Ms. Chan Yuen Mui (appointed on 26 February 2024)

AUDIT COMMITTEE

Ms. Wong Yan Ki, Angel (*Chairperson*)

Ms. Wang Yingbin

Mr. Tian Tao

REMUNERATION COMMITTEE

Ms. Wang Yingbin (*Chairperson*)

Ms. Wong Yan Ki, Angel

Mr. Tian Tao

NOMINATION COMMITTEE

Mr. Tian Tao (*Chairperson*)

Ms. Wang Yingbin

Ms. Wong Yan Ki, Angel

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Ogier Global (Cayman) Limited

89 Nexus Way, Camana Bay

Grand Cayman, KY1-9009

Cayman Islands

PRINCIPAL BANKER

Shanghai Pudong Development Bank Co., Ltd.

Xiamen Guanyinshan Sub-branch

No. 2 of Unit 101

No. 161 Taidong Road

Siming District, Xiamen, Fujian Province

PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

2408, World-Wide House

19 Des Voeux Road Central

Central

Hong Kong

HEADQUARTERS IN THE PRC

12/F, ERKE Group Mansion

11 Guanyin Shan

Hualian Road

Siming District

Xiamen

Fujian Province

PRC

AUDITOR

BDO Limited

Certified Public Accountants

25/F, Wing On Centre

111 Connaught Road Central

Hong Kong

HONG KONG LEGAL ADVISER

Wan & Tang
2408, World-Wide House
19 Des Voeux Road Central
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ogier Global (Cayman) Limited
89 Nexus Way, Camana Bay
Grand Cayman, KY1-9009
Cayman Islands

BRANCH SHARE REGISTRAR IN HONG KONG

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

COMPANY WEBSITE

www.manyidea.cloud

STOCK CODE

6696

FINANCIAL HIGHLIGHTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE PROFIT OR LOSS

	As of the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue	839,263	287,607
Gross profit	55,643	54,665
Profit before income tax	8,226	23,259
Profit for the period	7,167	20,475

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at	
	30 June	31 December
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Assets		
Non-current assets	199,585	195,687
Current assets	719,108	579,342
Total assets	918,693	775,029
Liabilities		
Non-current liabilities	2,549	400
Current liabilities	276,475	196,613
Total liabilities	279,024	197,013
Equity		
Equity attributable to owners of the Company	638,190	576,515
Equity attributable to non-controlling interests	1,479	1,501
Total equity	639,669	578,016
Total equity and liabilities	918,693	775,029

CONSOLIDATED FINANCIAL DATA

For the six months ended 30 June 2024, the Group achieved a revenue of approximately RMB839,263,000, a year-on-year (“YoY”) increase of approximately 191.8%.

REVENUE FROM INTEGRATED MARKETING SERVICES

For the six months ended 30 June 2024, the Group’s revenue from integrated marketing services amounted to approximately RMB839,263,000, a YoY increase of approximately 191.8%.

CHAIRMAN'S STATEMENT

Distinguished shareholders,

I am very pleased to, on behalf of the board (the “Board”) of directors (the “Directors”) of Many Idea Cloud Holdings Limited (hereinafter referred to as “Many Idea Cloud”, “the Company” or “our Company”), hereby present the interim business results of our Company and its subsidiaries (hereinafter collectively referred to as “our Group”, “the Group”, “we” or “us”) for the six months ended 30 June 2024 (hereinafter referred to as the “Reporting Period”), extend our most sincere gratitude to all shareholders, and thanks to all employees of the Group for their unremitting efforts. In the first half of 2024, to meet the diverse needs of our customers, we have closely followed market trends and intensified our collaboration with the vertical social media platform – TikTok, aiming to reduce customer acquisition costs and achieve multi-channel sales growth objectives, further transform our corporate group into a domestic leading one-stop marketing service provider integrating products and efficiency. We firmly believe that Many Idea Cloud will achieve better results regardless of the changing landscape.

REVIEW

In the first half of 2024, we have shown steady performance in overall revenue, with the proportion of income from major customers continuously increasing. The revenue from the TikTok business has also entered a sustainable development track, indicating that our Group is expected to experience accelerated development in businesses in the second half of the year.

OUTLOOK

In the second half of 2024, we will focus on the following directions to drive growth: intensify our efforts on key customers, optimise operational capabilities to assist customers in reducing the cost of customer acquisition, and increase ROI conversion. In addition, we will also utilise various cooperation models such as agency operation, distribution, and dealership to help customers improve their sales through short videos, live streaming, and influencer distribution.

APPRECIATION

In the future, we will take technology as the core and truly realise AI-enabled integrated marketing for enterprises, continuously strengthen our technical capabilities, and constantly improve our product innovation capabilities. I would like to take this opportunity to express our most sincere gratitude towards all of the Group's shareholders, investors and business partners for their full trust in and support to the Group. I would like to thank all my colleagues in the Board, the management and all employees for their unremitting efforts and contributions to the Group. In the future, we will strive to maintain the development momentum of the Group and seek stable returns for the shareholders.

Many Idea Cloud Holdings Limited

Chairman of the Board of Directors

Liu Jianhui

30 August 2024

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Review

In the first half of 2024, we have shown steady growth in overall revenue, with the proportion of income from major customers continuously increasing. The revenue from the TikTok business is also growing steadily, paving way for our accelerated development in businesses in the second half of the year.

Outlook

In the second half of 2024, we will focus on leveraging social media platforms, including Xiaohongshu, Tencent and other media. Our efforts will include enhancing our brand-efficiency integration solutions, specialising in specific industries to boost our professionalism, and improving our media operations and traffic optimization capabilities. Additionally, we will expand our AI-assisted marketing capabilities.

FINANCIAL REVIEW

Overview

We provide integrated marketing solutions services mainly in the PRC to a large base of customers, with particular success in the fast-moving consumer goods, footwear and apparel and daily chemical industries. Our total revenue consists of revenue from integrated marketing solutions services.

During the six months ended 30 June 2024 (the “Reporting Period”), our total revenue reached approximately RMB839,263,000, a year-on-year (“YoY”) growth of approximately 191.8% (approximately RMB287,607,000 in the same period in 2023). The increase in revenue was mainly due to our enhanced expansion capabilities in the TikTok market, which increased revenue from the TikTok business.

Revenue

During the Reporting Period, our total revenue reached approximately RMB839,263,000, a YoY growth of approximately 191.8% (approximately RMB287,607,000 in the same period in 2023).

During the six months ended 30 June 2024, our revenue from integrated marketing solutions services increased by approximately 191.8% YoY to approximately RMB839,263,000, accounting for approximately 100% of revenue, mainly due to our rich experience in serving customers over the years and our marketing solutions better catering to the marketing needs of customers.

Revenue from integrated marketing solutions services is recognised over the period of time when the related services are rendered according to the progress of completion as stipulated under the agreements. The revenue would be recognised when we deliver the services to our customers, such as delivery of design and advertising plans, and will continue to be recognised until all promised services are delivered.

FINANCIAL REVIEW (Continued)

Cost of revenue

During the Reporting Period, the cost of our revenue amounted to approximately RMB783,620,000, a YoY growth of approximately 236.4% (approximately RMB232,942,000 in the same period in 2023).

Integrated marketing services

The costs of integrated marketing solutions services mainly include media advertising resources costs, production costs, equipment rental costs, staff costs, SaaS costs and other costs.

The following table sets out a breakdown of the cost of revenue of integrated marketing solutions services and products for the periods indicated, in terms of amount and as a proportion to cost of revenue from integrated marketing services.

	As of six months ended 30 June				
	2024		2023		Change (+/(-))
	RMB'000	%	RMB'000	%	%
Media advertising resources costs	754,950	96.3	203,854	87.5	270.3
Production costs	11,637	1.5	10,429	4.5	11.6
Equipment rental costs	434	0.1	715	0.3	-39.3
Staff costs	7,086	0.9	3,267	1.4	116.9
SaaS costs	8,551	1.1	13,812	5.9	-38.1
Other costs	962	0.1	865	0.4	11.2
Total	783,620	100.0	232,942	100.0	236.4

During the Reporting Period, the cost of revenue of integrated marketing solutions services reached approximately RMB783,620,000, a YoY growth of approximately 236.4% (approximately RMB232,942,000 in the same period in 2023). This is mainly due to the increase in revenue from the TikTok business in this period, which led to a YoY rise in media advertising resources costs.

FINANCIAL REVIEW (Continued)

Gross profit

The following table sets out the analysis of gross profit with respective gross profit margins, breakdown by type of revenue, for the periods indicated.

	As of six months ended 30 June				Change (+/(-)) %
	2024 RMB'000	%	2023 RMB'000	%	
Integrated marketing solutions services	55,643	100.0	54,665	100.0	1.8

During the Reporting Period, our total gross profit reached approximately RMB55,643,000, a YoY increase of approximately 1.8% (approximately RMB54,665,000 in the same period in 2023). The increase in the gross profit of the Company's integrated marketing solutions services was mainly due to a YoY increase in the gross profit of our cooperation with TikTok as the first-tier agent.

Selling and marketing expenses

Our selling and marketing expenses mainly consist of (i) salaries and benefits of marketing and technical support personnel; (ii) business entertainment and travel expenses, principally including business entertainment, accommodation and travel expenses; (iii) amortisation and depreciation, mainly referring to the depreciation of equipment, automobiles, leased property renovation, and leased right-of-use assets and the amortisation of computer software; and (iv) other expenses, including property management fees, office expenses and local transportation expenses. During the Reporting Period, our selling and marketing expenses reached approximately RMB3,084,000, a YoY increase of approximately 21.2% (approximately RMB3,914,000 in the same period in 2023). The decrease in payroll was mainly due to adjustments in the workforce structure to align with the needs of business development.

Administrative expenses

Administrative expenses predominantly include (i) staff costs and benefits, principally including administrative employee salaries and training expenses; (ii) legal and professional fees, mainly referring to legal and professional fees incurred in connection with the Group's business operation; (iii) amortisation and depreciation, primarily referring to the depreciation of equipment, vehicles, and renovation of our leased properties, and leased right-of-use assets and the amortisation of computer software; (iv) research and development ("R&D") costs, principally referring to the salaries of R&D employees of the content engine; (v) other taxes, mostly consisting of urban maintenance and construction taxes, educational surtaxes, local educational surtaxes and stamp taxes; and (vi) other expenses. During the Reporting Period, our general and administrative expenses amounted to approximately RMB12,581,000, a YoY growth of approximately 8.1% (approximately RMB11,635,000 in the same period in 2023). This was mainly due to the increase in payroll and taxes and surcharges as a result of the increase in business income.

FINANCIAL REVIEW (Continued)

Provision for impairment loss on trade receivables and other financial assets during the Reporting Period

During the Reporting Period, our provision for impairment loss on trade receivables and other financial assets was approximately RMB36,915,000, representing an increase of approximately 99.9% YoY (approximately RMB18,469,000 in the same period in 2023). Such increase was primarily due to the fact that significant growth in revenue was accompanied by a rise in trade receivables, leading to an increase in provision for bad debts during the Reporting Period.

Other revenue

The following table provides a breakdown of components of other revenue for the periods indicated:

	As of six months ended		
	30 June		
	2024 RMB'000	2023 RMB'000	Change (+/(-)) %
Government grants	5,277	2,295	129.9
Bank interest income	31	398	-92.2
Interest income on other financial assets	369	–	–
Additional value-added tax input deduction	969	1,420	-31.8
Others	1	1	–
Total	6,647	4,114	61.6

During the Reporting Period, our other revenue amounted to approximately RMB6,647,000, a YoY increase of approximately 61.6% (approximately RMB4,114,000 in the same period in 2023). The increase in government grants was mainly due to an increase in subsidies for profit-making service industries.

FINANCIAL REVIEW (Continued)

Other gains and losses

During the Reporting Period, our other gains amounted to approximately RMB277,000 (other losses of approximately RMB1,059,000 in the same period in 2023). Such a change was mainly due to the fact that foreign currency accounts of the Company changed with the exchange rate during the Reporting Period.

Finance costs

Finance costs primarily comprise (i) interest expense on bank borrowings; (ii) interest expense on third-party loans; and (iii) interest expenses on lease liabilities.

During the Reporting Period, our finance costs reached approximately RMB1,761,000, a YoY growth of approximately 297.5% (approximately RMB443,000 in the same period in 2023). This increase was largely due to increased borrowings during the period.

Profit before income tax expense

As a result of the above, our profit before income tax as of the six months ended 30 June 2024 stood at approximately RMB8,226,000, a decrease of approximately 64.6% YoY (approximately RMB23,259,000 in the same period in 2023).

Income tax expenses

During the Reporting Period, our income tax expense was approximately RMB1,059,000, a YoY decrease of approximately 62.0% (approximately RMB2,784,000 in the same period in 2023). Such decrease was largely due to decreased income tax expenses caused by lower profit before income tax expense. The effective tax rate, representing income tax expense divided by profit before tax, was 12.9% for 2024 and 12.0% for 2023.

Net profit and net profit margin

During the Reporting Period, the Group's net profit was RMB7,167,000, representing a YoY decrease of approximately 65.0% (approximately RMB20,475,000 in the same period in 2023), with net profit margins of 0.9% (7.1% in the same period in 2023).

Reserves and capital structure

As of 30 June 2024, the Group's total equity was RMB640,000,000 (31 December 2023: RMB578,000,000), which comprised share capital of RMB108,000 (31 December 2023: RMB72,000) and reserves of RMB638,000,000 (31 December 2023: RMB576,000,000). The increase in total equity was primarily due to the public offering during the period and net profit during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

The Group's operations were primarily financed through its operating activities. The Group derived its cash inflow from operating activities primarily through the receipt of payments from the customers in relation to the integrated marketing solutions services. The Group's cash outflows from operating activities primarily comprised payments for media advertising resources costs and operating expenses.

As of 30 June 2024, the Group's total current assets and current liabilities were RMB719,108,000 (as of 31 December 2023: RMB579,342,000) and RMB276,475,000 (as of 31 December 2023: RMB196,613,000), respectively, while the current ratio was 2.6 times (as of 31 December 2023: 2.9 times). The increase in total current assets was mainly attributable to an increase in trade receivables. As of 30 June 2024, the Group had a cash and bank balance amounting to RMB14,768,000 (as of 31 December 2023: RMB26,131,000).

As of 30 June 2024, the Group had borrowings of RMB65,724,000. The Group's gearing ratio (which equals to total debt divided by total capital plus total debt, where total debt includes borrowings, lease liabilities, amounts due to Directors and amounts due to related parties, and capital includes equity attributable to owners of the Company) was 9.8% as of 30 June 2024 (31 December 2023: 9.1%).

CAPITAL EXPENDITURES AND COMMITMENT

Our capital expenditures primarily consist of (i) property, plant and equipment, which primarily consisted of computer equipment, office equipment, automobiles, and leasehold improvement in relation to renovation expenses for our properties; (ii) right-of-use assets, which primarily consisted of our property leases; and (iii) intangible assets, which primarily consisted of copyright licences and purchased software, among others.

The capital expenditure of the Group for the six months ended 30 June 2024 was approximately RMB1,269,000.

The following table sets out our capital expenditures for the period indicated:

	Six months ended June 2024 RMB'000
(1) Fixed assets (including computer equipment, office equipment, automobiles and office leasehold improvement)	513
(2) Intangible assets (including our trademarks, software copyrights, purchased software and self-developed software)	–
(3) Right-of-use assets	756
Total	1,269

For the six months ended 30 June 2024, the Group had a total capital commitment of approximately RMB11,090,000 (30 June 2023: approximately RMB11,262,000), contracted for but not provided for in the consolidated financial statements in respect of the property, plants, and equipment.

CONTINGENT LIABILITIES

For the six months ended 30 June 2024, we did not have any unrecorded significant contingent liabilities, guarantees, or any litigation against us.

FOREIGN CURRENCY RISK MANAGEMENT

We conduct our business operations primarily in China, settle most of our transactions in RMB, and are exposed to foreign currency risks from various currency exposures, primarily with respect to USD and HKD. During the Reporting Period, we did not hedge our foreign exchange risks through any long-term contracts, monetary borrowings or other means.

The Group adopted a prudent approach toward its treasury policies. Our treasury function mainly involves the management of our cash flows. Cash is mainly deposited in banks in Renminbi for working capital purposes. We did not have any material holding in financial securities or foreign exchange (except for business purposes) during the Reporting Period.

CREDIT RISK

Credit risk mainly arises from trade receivables and contract assets. We have policies in place to ensure that our services are provided to customers with an appropriate credit history. We also have other monitoring procedures to ensure that follow-up actions are taken to recover overdue debts. In addition, the management will regularly review the recoverable amount of individual receivables based on customers' financial condition, our historical experience, and other factors to ensure that sufficient provision for impairment losses is made for the irrecoverable amount.

ASSETS PLEDGED

As of 30 June 2024, we did not pledge any of our assets.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS, DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 30 April 2024, Xiamen Instant Interactive Culture Communication Co., Ltd. ("Xiamen Instant Interactive"), an indirect wholly-owned subsidiary of the Company, entered into a cooperation agreement with Anhui Ziyuan Holding Co., Ltd. ("Anhui Ziyuan") and Tongxiang Kuntai Equity Investment Fund Management Co., Ltd. ("Tongxiang Kuntai"), pursuant to which the parties agreed to establish a partnership (the "Partnership") with the Group having 19.9996% equity interests in the Partnership. During the Reporting Period, Xiamen Instant Interactive injected in the amount of RMB2 million as the registered capital of the Partnership. The Company intends to, through the establishment of the Partnership, implement its investment plan in cooperation with Anhui Ziyuan and Tongxiang Kuntai. Subject to the progress of the investment plan, the Company may consider further increase its investment in the Partnership as and when necessary and appropriate.

Save as disclosed above, as of 30 June 2024, the Group had no significant investments, material acquisitions, disposals of subsidiaries, associates and joint ventures.

FUTURE PLANS FOR SIGNIFICANT INVESTMENTS AND CAPITAL ASSETS

As of 30 June 2024, save for the disclosure made in the prospectus of the Company dated 28 October 2022, the Group did not have any plan for significant investments or capital assets.

EMPLOYEES

We had a total of 154 employees as of 30 June 2024.

Our success depends on our ability to attract, retain and motivate qualified personnel. We provide our employees with various incentives and benefits. We offer competitive salaries, bonuses and share-based compensation to our employees, especially key employees. Employees' remuneration packages are determined with reference to the market information and individual performance and will be reviewed on a regular basis. The remuneration policy will be reviewed by our Board from time to time.

In accordance with the regulations of the PRC, we participate in various social security plans for employees organised by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury, maternity and unemployment benefits plans.

To maintain the quality, knowledge and skills of our employees, we strive to enhance their technical, professional or managerial skills by providing continuing education and training courses (including internal and external training courses) to them. We also provide training courses to our employees from time to time to ensure that they are fully aware of and comply with our policies and procedures.

During the Reporting Period, the total staff cost including remuneration, other employee benefits and contributions to retirement schemes for Directors and other staff of the Group amounted to RMB12,855,000 (the same period in 2023: RMB11,285,000). The increase in staff cost was mainly due to the increase in revenue and the number of R&D staff.

USE OF PROCEEDS

The net proceeds from the Listing (“Net Proceeds”), after deducting the underwriting fees and other related expenses in connection with the listing, was approximately HK\$267.30 million.

On 14 December 2023, our Board resolved to reallocate the unutilized net proceeds for reasons set out in the paragraph headed “Reasons and Benefits of Changing Use of Proceeds” of the announcement dated 14 December 2023 (the “Announcement”). Please refer to the Announcement for details.

The following table sets out the utilisation of the net proceeds for the six months ended 30 June 2024.

	Percentage of Net Proceeds	Net Proceeds from Global Offering HK\$ Million	Utilised Amount as of 30 June 2024 HK\$ Million	Unutilised Amount as of 30 June 2024 HK\$ Million	Expected Timeline of Utilisation
Enhancing SaaS interactive marketing platform research and development	14.7%	39.2	39.2	–	N/A
Scaling up our IP contents portfolio and expanding our integrated marketing solutions businesses	44.5%	119	119	–	N/A
Investment in the expansion of our geographical coverage and customer base	16.0%	42.7	42.7	–	N/A
Joint venture establishment	19.3%	51.6	51.6	–	N/A
Working capital and general corporate use	5.5%	14.8	14.8	–	N/A
Total	100.0%	267.3	267.3	–	

EQUITY FUND RAISING IN THE LAST TWELVE MONTHS

In the twelve months prior to the date of this report, we have carried out the following equity fund raising activities:

On 28 December 2023, the Group announced its intention to offer a total of 400,000,000 shares at a price of HK\$0.15 per share to the stock market, on the basis of one open offer share for every two existing shares held. The offer price of HK\$0.15 per open offer share represented (i) a discount of approximately 34.50% over the closing price of HK\$0.229 per share as quoted on the Hong Kong Stock Exchange on the date of the underwriting agreement and the placing agreement; and (ii) a discount of approximately 31.19% over the average of the closing prices per share as quoted on the Hong Kong Stock Exchange for the last five consecutive trading days up to and including the last trading day of approximately HK\$0.218. For details, please refer to the prospectus of the Company dated 21 March 2024. The net proceeds from the open offer, after deducting all related subscription costs and expenses, amounted to approximately HK\$53 million. The net price per open offer share was approximately HK\$0.1325.

The following table sets out the utilisation of the net proceeds from the open offer for the six months ended 30 June 2024.

	Percentage of Net Proceeds from the open offer	Net Proceeds from the open offer HK\$ Million	Utilised Amount as of 30 June 2024 HK\$ Million	Unutilised Amount as of 30 June 2024 HK\$ Million	Expected Timeline of Utilisation
Purchasing media resources (in particular online traffic from TikTok) for advertising by the Group's customers through the new TikTok distribution channel and promoting the TikTok distribution channel	90%	47.7	47.7	–	N/A
General working capital	10%	5.3	5.3	–	N/A
Total	100%	53.0	53.0	–	

On 15 June 2024, the Group announced to enter into two subscription agreements with two subscribers for a total of 160,000,000 subscription shares at a subscription price of HK\$0.25 per share. The subscription was completed on 15 July 2024, and the net proceeds of the subscription were approximately HK\$39.9 million after deducting all costs and expenses relating to the subscription.

Save for the information disclosed above, the Company has not carried out any equity fund raising activities in the twelve months prior to the date of this report.

MATERIAL EVENTS AFTER THE REPORTING PERIOD

On 15 June 2024, the Group announced to enter into two subscription agreements with two subscribers for a total of 160,000,000 subscription shares at a subscription price of HK\$0.25 per share. The subscription price of HK\$0.25 per share represented: (i) a discount of approximately 1.96% as compared to the closing price of HK\$0.255 per share as quoted on the Hong Kong Stock Exchange on the last trading day immediately prior to the date of the subscription agreements; and (ii) a premium of approximately 8.7% to the average of the closing prices of approximately HK\$0.23 per share as quoted on the Hong Kong Stock Exchange for the last five consecutive trading days immediately prior to the last trading day immediately prior to the date of the subscription agreements. The subscription was completed on 15 July 2024 for the aggregate gross proceeds of approximately HK\$40 million. The aggregate net proceeds from the subscription, after deduction of relevant costs and expenses, amounted to approximately HK\$39.9 million. The net issue price per subscription share was approximately HK\$0.249. The number of ordinary shares of the Company increased to 1,360,000,000 upon completion of the subscription. The Company intended to apply the net proceeds from the subscription as to approximately 75.19% (equivalent to approximately HK\$30 million) thereof for purchasing of media resources, in particular, the TikTok distribution channel, and promotion of the TikTok distribution channel. The remaining of approximately 24.81% (equivalent to approximately HK\$9.9 million) of the net proceeds from the subscription will be allocated for general working capital of the Group.

Set out below are the shareholding structures of the Company (i) immediately before the completion of the subscription; and (ii) immediately upon the completion of the subscription (on 15 July 2024) respectively:

	Immediately before the completion of subscription		Immediately upon the completion of subscription (on 15 July 2024)	
	Number of Shares	% (Approx.)	Number of Shares	% (Approx.)
Many Idea Liujianhui ^{(1), (3)}	433,280,614	36.11	433,280,614	31.86
Xiamen Dream Future ^{(2), (3)}	189,496,327	15.79	189,496,327	13.93
Many Idea Qushuo ^{(3), (4)}	2,368,645	0.20	2,368,645	0.17
Subtotal	625,145,586	52.10	625,145,586	45.97
Directors				
Mr. Chen Shancheng (through Many Idea ChenShancheng Limited)	15,119,887	1.26	15,119,887	1.11
Mr. Chen Zeming (through Many Idea ChenZeming Limited)	1,963,278	0.16	1,963,278	0.14
Subtotal	642,228,751	53.52	642,228,751	47.22
Going Investment Fund SPC (高盈基金獨立組合公司) ⁽⁶⁾	—	—	80,000,000	5.88
Ms. Wang Wenwen (王文雯)	1,828,344	0.15	81,828,344 ⁽⁶⁾	6.02
Other public Shareholders	555,942,905	46.33	555,942,905	40.88
Total	1,200,000,000	100.00	1,360,000,000	100.00

MATERIAL EVENTS AFTER THE REPORTING PERIOD (Continued)

Notes:

1. Many Idea Liujianhui is an investment holding company beneficially and wholly owned by Mr. Liu. Under the SFO, Mr. Liu is deemed to be interested in all the Shares registered in the name of the Many Idea Liujianhui.
2. Xiamen Dream Future is owned as to 90% by ZJJ Many Idea, 9.9% by Mr. Liu and 0.1% by Ms. Qu. ZJJ Many Idea is owned as to 99% by Mr. Liu and 1% by Ms. Qu. Accordingly, ZJJ Many Idea is deemed to be interested in such number of Shares held by Xiamen Dream Future by virtue of the SFO.
3. Mr. Liu is the spouse of Ms. Qu. Each of Mr. Liu and Ms. Qu is deemed to be interested in the Shares held by one another by virtue of the SFO.
4. Many Idea Qushuo is wholly owned by Ms. Qu. Accordingly, Ms. Qu is deemed to be interested in such number of Shares held by Many Idea Qushuo by virtue of the SFO.
5. Going Investment Fund SPC (高盈基金獨立組合公司), acting on behalf of and for the account of GOING ALGOSPI, was incorporated in Cayman Islands as an exempted company limited by shares and registered as a segregated portfolio company and was owned by Element Global Group Limited, a limited liability company incorporated under the laws of the British Virgin Islands.
6. Amongst these Shares, 1,828,344 Shares are held through Many Idea WangWenwen Limited, which is wholly owned by Ms. Wang Wenwen (王文雯), an employee of the Group.

Save as disclosed above, there was no significant event after the Reporting Period and up to the date of this report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE

Our Board is committed to the practice of good corporate governance measures.

Our Board believes that good corporate governance measures are essential to provide our Company with a framework to safeguard shareholders' equity, enhance corporate value, develop business strategies and policies, and improve transparency and accountability.

The Company has adopted and applied the provisions of the CG Code as set out in Appendix C1 to the Listing Rules. So far as the Directors are aware, the Company has complied with all applicable code provisions under the CG Code during the Reporting Period except for provision C.2.1 of the Code set out below.

The roles of chairman and chief executive should be separate and not held by the same person. Mr. Liu currently holds two positions. Since the establishment of the Group in 2012, Mr. Liu has been a key leader of the Group and has been deeply involved in the formulation of the Group's business strategy and decisions on its overall direction. He is also primarily responsible for the Group's operations as he directly supervises the Directors of the Group (in addition to himself) and our members of senior management. Given the continued implementation of the Group's business plan, the Directors of the Group (including the Group's independent non-executive Directors) consider Mr. Liu to be the best candidate for these two positions and that the current arrangement is beneficial to and in the interest of the Company and shareholders as a whole. Our Board of the Group will continuously review and monitor its corporate governance measures to ensure compliance with the CG Code.

MODEL CODE FOR DIRECTOR SECURITIES TRANSACTIONS

Our Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as a code of conduct for our Directors to conduct trading of securities. Our Company has been following the Model Code since the listing date. No incident of non-compliance of the Model Code by the Directors and relevant employees was noted during the Reporting Period. Our Company continues to ensure compliance with the code of conduct.

Our Company has made specific enquiries to all of its Directors, who have confirmed that they have implemented and complied with the standards set out in the Model Code during the Reporting Period.

CHANGE IN DIRECTORS' PARTICULARS

There has been no disclosable change in information of the Directors and chief executive of the Company pursuant to Rule 13.51B(1) of the Listing Rules since the publication of the 2023 annual report of the Company.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2024.

AUDIT COMMITTEE

Our Company established the Audit Committee with written terms of reference in compliance with Rules 3.21 to 3.23 of the Listing Rules and the CG Code. The Audit Committee comprises Ms. Wong Yan Ki, Angel, Ms. Wang Yingbin and Mr. Tian Tao as its members. Ms. Wong Yan Ki, Angel, an independent non-executive Director holding the appropriate professional qualifications, was appointed to serve as the chairman of the Audit Committee.

The Audit Committee, together with the management of the Company, has reviewed the accounting principles and policies adopted by the Group and discussed the Group's internal control and financial reporting matters (including reviewing the unaudited interim financial information for the six months ended 30 June 2024). The Audit Committee considers that the interim financial information complies with applicable accounting standards, laws, and regulations.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

For the six months ended 30 June 2024, neither the Company nor any of its subsidiaries acquired, sold or redeemed any of its listed securities (including sale of treasury shares). As of 30 June 2024, the Company did not hold any treasury shares.

SUFFICIENT PUBLIC FLOAT

Based on the publicly available information of the Company and to the best knowledge of our Directors, the Company has maintained a sufficient public float throughout the Reporting Period and up to the date of this interim report.

INTERESTS AND SHORT POSITIONS OF OUR DIRECTORS AND THE CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES OR DEBENTURES

To the best knowledge of the Company as at 30 June 2024, our Directors or chief executive of the Company have, in the shares, underlying shares, and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), (a) any interests and/or short positions (if applicable) which will be required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), (b) any interests and/or short positions which will be required, pursuant to Section 352 of the SFO, to be entered in the register kept referred to in that section, or (c) any interests and/or short positions which will be required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange. Refer to the table below:

Long positions in shares

Name of Director	Capacity/Nature of Interest	Number of Shares/ Interests Held	Approximate Percentage of Shareholding ⁽¹⁾
Mr. Liu Jianhui ("Mr. Liu")	Interest in controlled corporation ⁽²⁾	433,280,614 (L)	36.11%
	Interest in controlled corporation ⁽³⁾	189,496,327 (L)	15.79%
	Interest of spouse ⁽⁴⁾	2,368,645 (L)	0.20%
Ms. Qu Shuo ("Ms. Qu")	Interest of spouse ⁽⁴⁾	433,280,614 (L)	36.11%
	Interest of spouse ⁽⁴⁾	189,496,327 (L)	15.79%
	Interest in controlled corporation ⁽⁵⁾	2,368,645 (L)	0.20%
Mr. Chen Shancheng ("Mr. Chen SC")	Interest in controlled corporation ⁽⁶⁾	15,119,887 (L)	1.26%
Mr. Chen Zeming ("Mr. ZM")	Interest in controlled corporation ⁽⁷⁾	1,963,278 (L)	0.16%

Notes:

(L) denotes long positions.

- Calculation is based on a total of 1,200,000,000 Shares, being the total number of shares issued as at 30 June 2024.
- The said shares were held in the name of Many Idea Liujianhui Limited ("Many Idea Liujianhui"). The entire issued share capital of Many Idea Liujianhui is wholly owned by Mr. Liu. Accordingly, Mr. Liu is deemed to be interested in such number of Shares held by Many Idea Liujianhui by virtue of the SFO.

INTERESTS AND SHORT POSITIONS OF OUR DIRECTORS AND THE CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES OR DEBENTURES (Continued)

Long positions in shares (Continued)

Notes: (Continued)

3. The said Shares were held in the name of Xiamen Huli District Dream Future Investment Partnership Enterprise (Limited Partnership) ("Xiamen Dream Future"). Xiamen Huli District Dream Future Investment Partnership Enterprise (Limited Partnership) ("Xiamen Dream Future") is owned as to 90% by Zhangjiajie Lejian Many Idea Network Technology Centre (Limited Partnership) ("ZJJ Many Idea"), 9.9% by Mr. Liu and 0.1% by Ms. Qu. ZJJ Many Idea is owned as to 99% by Mr. Liu and 1% by Ms. Qu. Accordingly, ZJJ Many Idea is deemed to be interested in such number of Shares held by Xiamen Dream Future by virtue of the SFO.
4. As Mr. Liu is the spouse of Ms. Qu and vice versa, and they are each deemed under the SFO to be interested in the Shares directly held by each other.
5. The said Shares were held in the name of Many Idea Qushuo Limited ("Many Idea Qushuo"). The entire issued share capital of Many Idea Qushuo is wholly owned by Ms. Qu. Accordingly, Ms. Qu is deemed to be interested in such number of Shares held by Many Idea Qushuo by virtue of the SFO.
6. The said Shares were held in the name of Many Idea ChenShancheng Limited. The entire issued share capital of Many Idea ChenShancheng Limited is wholly owned by Mr. Chen SC. Accordingly, Mr. Chen SC is deemed to be interested in such number of Shares held by Many Idea ChenShancheng Limited by virtue of the SFO.
7. The said Shares were held in the name of Many Idea ChenZeming Limited. The entire issued share capital of Many Idea ChenZeming Limited is wholly owned by Mr. Chen ZM. Accordingly, Mr. Chen ZM is deemed to be interested in such number of Shares held by Many Idea ChenZeming Limited by virtue of the SFO.

Save as disclosed above, to the best knowledge of Directors and chief executive of the Company, as at 30 June 2024, none of Directors or chief executive of the Company has, in the shares, underlying shares and debentures of the Company or its associated corporation, (a) any interests or short positions which will be required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO); (b) any interests or short positions which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to in that section; or (c) any interests or short positions which will be required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES AND UNDERLYING SHARES

As at 30 June 2024, according to records in the register maintained by our Company pursuant to Section 336 of the SFO, the following persons (other than Directors or chief executive of our Company) had, in the shares and underlying shares, any interests or short positions which will be required to be disclosed to our Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO:

Long positions in shares

Name of Shareholder	Capacity/Nature of Interest	Number of Shares/ Interests Held	Approximate Percentage of Shareholding ⁽¹⁾
Many Idea Liujianhui	Beneficial owner ⁽²⁾	433,280,614 (L)	36.11%
ZJJ Many Idea	Interest in controlled corporation ⁽³⁾	189,496,327 (L)	15.79%
Xiamen Dream Future	Beneficial owner ⁽³⁾	189,496,327 (L)	15.79%
Many Idea Qushuo	Beneficial owner ⁽⁴⁾	2,368,645 (L)	0.20%

Notes:

- Calculation is based on a total of 1,200,000,000 Shares, being the total number of shares issued as at 30 June 2024.
- The said Shares were held in the name of Many Idea Liujianhui. The entire issued share capital of Many Idea Liujianhui is wholly owned by Mr. Liu. Accordingly, Mr. Liu is deemed to be interested in such number of Shares held by Many Idea Liujianhui by virtue of the SFO.
- The said Shares were held in the name of Xiamen Huli District Dream Future Investment Partnership Enterprise (Limited Partnership) ("Xiamen Dream Future"). Xiamen Dream Future is owned as to 90% by ZJJ Many Idea, 9.9% by Mr. Liu and 0.1% by Ms. Qu. ZJJ Many Idea is owned as to 99% by Mr. Liu and 1% by Ms. Qu. Accordingly, ZJJ Many Idea is deemed to be interested in such number of Shares held by Xiamen Dream Future by virtue of the SFO.
- The said Shares were held in the name of Many Idea Qushuo. The entire issued share capital of Many Idea Qushuo is wholly owned by Ms. Qu. Accordingly, Ms. Qu is deemed to be interested in such number of Shares held by Many Idea Qushuo by virtue of the SFO.

On 15 June 2024, the Group announced to enter into two subscription agreements with two subscribers for a total of 160,000,000 subscription shares at a subscription price of HK\$0.25 per share. The subscription was completed on 15 July 2024 and the number of ordinary shares of the Company increased to 1,360,000,000 upon completion of the subscription. For details, please refer to the section headed "Management Discussion and Analysis — Material Events After The Reporting Period" in this report and the announcements of the Company dated 17 June 2024 and 15 July 2024.

Save as disclosed above, Directors have not been notified by any persons who had interests or short positions in the shares or underlying shares which would fall to be required to be disclosed to our Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or any interests or short positions recorded in the register maintained by our Company pursuant to Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this report, at no time during the Reporting Period, was the Company or any of its subsidiaries a party, to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate. None of the Directors or his/her spouse or children under the age of 18 years had any rights to subscribe for shares or debentures of the Company or any other corporations and none of them exercised any rights in relation thereto.

SHARE OPTION SCHEME

The Share Option Scheme was conditionally adopted by a resolution of Shareholders of our Company passed on 12 October 2022.

Purpose of the Scheme

The purpose of the Share Option Scheme is to enable our Group to grant options to selected participants as incentives or rewards for their contribution to our Group. Our Directors consider the Share Option Scheme, with its broadened basis of participation, will enable our Group to reward the employees, our Directors and other selected participants for their contributions to our Group. Given that our Directors are entitled to determine any performance targets to be achieved as well as the minimum period that an option must be held before an option can be exercised on a case by case basis, and that the exercise price of an option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by our Directors, it is expected that grantees of an option will make an effort to contribute to the development of our Group so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the options granted.

Eligible Participants

Our Directors may at any time within a period of ten years commencing from the date of adoption of the Share Option Scheme, at its absolute discretion, in accordance with the provisions of the Share Option Scheme and the Listing Rules make an offer to any person belonging to any of the following classes of participants ("Eligible Participant"), to take up options to subscribe for Shares:

- (a) any employee ("Eligible Employee") (whether full-time or part-time including any executive director but excluding any non-executive director) of the Company, any of our subsidiaries or any entity ("Invested Entity") in which any member of our Group holds an equity interest;
- (b) any non-executive directors (including INEDs) of our Company, any of our subsidiaries or any Invested Entity;
- (c) any supplier of goods or services to any member of our Group or any Invested Entity;
- (d) any customer of any member of our Group or any Invested Entity;

SHARE OPTION SCHEME (Continued)

Eligible Participants (Continued)

- (e) any person or entity that provides research, development or other technological support to any member of our Group or any Invested Entity;
- (f) any shareholder of any member of our Group or any Invested Entity or any holder of any securities issued by any member of our Group or any Invested Entity;
- (g) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of our Group or any Invested Entity; and
- (h) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of our Group.

Maximum Number of the Shares Available for Subscription

According to the Share Option Scheme, the maximum number of Shares available for issuance corresponding to all share options is 80,000,000, representing 10% of issued shares of the Company as at the date of the Share Option Scheme adopted on 12 October 2022.

As at 30 June 2024, no share options have been granted or agreed to be granted pursuant to the Share Option Scheme, and 80,000,000 share options are still available for future grant.

Maximum Entitlement of Each Participant

The total number of Shares issued and which may fall to be issued upon the exercise of the options granted under the Share Option Scheme and any other share option scheme of our Group (including both exercised and outstanding options) to each grantee in any 12-month period shall not exceed 1% of the issued share capital of our Company for the time being ("Individual Limit"). Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant must be separately approved by the Shareholders at a general meeting of our Company with such grantee and his close associates (or his associates if the grantee is a connected person) abstaining from voting. Our Company must send a circular to the Shareholders, containing the information required under the Listing Rules. The number and terms (including the exercise price) of options to be granted must be fixed before the approval of the Shareholders and the date of the Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the exercise price under note (1) to Rule 17.03(9) of the Listing Rules.

SHARE OPTION SCHEME (Continued)

Grant of Options to Our Directors, Chief Executive or Substantial Shareholders of Our Company or Their Respective Associates

- (a) Any offer for the grant of options under the Share Option Scheme to a Director, chief executive or Substantial Shareholder of our Company or any of their respective associates must be approved by INEDs (excluding INED who or whose associates is the proposed grantee of the options).
- (b) Where any grant of options to a Substantial Shareholder or an INED or any of their respective associates would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
 - (i) representing in aggregate over 0.1% of the Shares in issue; and
 - (ii) having an aggregate value, based on the closing price of the Shares at the date of each offer for the grant, in excess of HKD5 million; such further grant of options must be approved by Shareholders in the general meeting. Our Company must send a circular to the Shareholders, containing the information required under the Listing Rules. The grantee, his associates and all core connected persons of our Company must abstain from voting in favour at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular. Any vote taken at the meeting to approve the grant of such options must be taken on a poll. Any change in the terms of options granted to a Substantial Shareholder or an INED or any of their respective associates must be approved by the Shareholders in a general meeting.

Subscription Price for the Shares and Consideration for the Option

The subscription price for the Shares under the Share Option Scheme shall be a price determined by our Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Hong Kong Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the date of the offer for the grant of the option, which must be a business day; (ii) the average closing price of Shares as stated in the Hong Kong Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of the offer for the grant of the option; and (iii) the nominal value of a Share.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

SHARE OPTION SCHEME (Continued)

Time of Acceptance and Exercise of Option

An option may be accepted by a participant within 21 days from the date of the offer for the grant of the option.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by our Directors to each grantee, which period ("Option Period") may commence from the date of the offer for the grant of options is made, but shall end in any event not later than 10 years from the date of the offer for the grant of the option subject to the provisions for early termination thereof. Unless otherwise determined by our Directors and stated in the offer for the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

Period of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years ("Termination Date") commencing on the date on which the Share Option Scheme is adopted.

No options have been granted or agreed to be granted under the Share Option Scheme as at 30 June 2024.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

For the six months ended 30 June 2024

	Notes	As of the six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue	7	839,263	287,607
Cost of revenue		(783,620)	(232,942)
Gross profit		55,643	54,665
Other revenue	8	6,647	4,114
Other gains and losses	9	277	(1,059)
Selling and marketing expenses		(3,084)	(3,914)
Administrative expenses		(12,581)	(11,635)
Provision for impairment loss on trade receivables and other financial assets, net	11	(36,915)	(18,469)
Finance costs	10	(1,761)	(443)
Listing expenses	11	–	–
Profit before income tax expense	11	8,226	23,259
Income tax credit/(expenses)	15	(1,059)	(2,784)
Profit for the period		7,167	20,475
Profit for the period attributable to:			
Owners of the Company		7,189	20,493
Non-controlling interests		(22)	(18)
		7,167	20,475
Profit for the period		7,167	20,475
Other comprehensive income, net of tax			
Items that will be reclassified to profit or loss:			
Expected credit loss on debt instrument measured at fair value through other comprehensive income		–	–
Fair value changes on debt instrument measured at fair value through other comprehensive income		–	–
Other comprehensive income for the period		–	–
Total comprehensive income for the period		7,167	20,475
Total comprehensive income for the period attributable to:			
Owners of the Company		7,189	20,493
Non-controlling interests		(22)	(18)
		7,167	20,475
Earnings per share attributable to the ordinary shareholder of the Company (RMB)			
– Basic and diluted	17	0.007	0.026

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 30 June 2024

		30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
	Notes		
Non-current assets			
Property, plant and equipment	18	1,156	1,057
Right-of-use assets	19	4,120	1,535
Intangible assets	20	102,327	110,123
Financial assets at fair value through other comprehensive income	21	–	10
Interests in associates	23	49,000	47,000
Deferred tax assets	27	29,225	21,898
Prepayments, deposits and other receivables	24	13,757	14,064
Total non-current assets		199,585	195,687
Current assets			
Trade receivables	22	445,987	313,495
Prepayments, deposits and other receivables	24	256,157	220,905
Contract costs	25	95	100
Financial assets at fair value through other comprehensive income	21	2,101	18,711
Cash and cash equivalents	26	14,768	26,131
Total current assets		719,108	579,342
Total assets		918,693	775,029
Current liabilities			
Trade payables	28	36,537	18,483
Other payables and accruals	29	64,885	48,803
Contract liabilities	31	45,990	36,452
Borrowings	30	65,724	56,555
Lease liabilities	19	1,333	459
Convertible bonds – liability component		–	–
Convertible bonds – conversion option derivative		–	–
Amounts due to shareholders	32	18,227	–
Income tax payable		43,779	35,861
Total current liabilities		276,475	196,613
Net current assets		442,633	382,729
Total assets less current liabilities		642,218	578,416

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 30 June 2024

		30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
	Notes		
Non-current liabilities			
Lease liabilities	19	2,549	400
Total non-current liabilities		2,549	400
Net assets		639,669	578,016
Equity attributable to owners of the Company			
Share capital	33	108	72
Reserves	34	638,082	576,443
		638,190	576,515
Non-controlling interests		1,479	1,501
Total equity		639,669	578,016

The consolidated financial statements on pages 28 to 33 were approved and authorised for issue by the Board of Directors on 30 August 2024 and are signed on its behalf by:

Mr. Liu Jianhui
Executive Director

Mr. Chen Shancheng
Executive Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As of the six months ended 30 June 2024

	Attributable to the owners of the Company								Total Equity RMB'000
	Share capital RMB'000	Share Premium RMB'000	Statutory Reserve RMB'000	Merger Reserve RMB'000	FVTOCI Reserve (Recycling) RMB'000	Retained Earnings RMB'000	Total RMB'000	Non-controlling Interests RMB'000	
(Unaudited)									
As at 1 January 2024	72	323,582	4,595	139,821	101	108,344	576,515	1,501	578,016
Profit for the year	-	-	-	-	-	7,189	7,189	(22)	7,167
Other comprehensive income	-	-	-	-	-	-	-	-	-
- Expected credit loss on debt instrument measured at fair value through other comprehensive income	-	-	-	-	(356)	-	(356)	-	(356)
- Fair value changes on debt instrument measured at fair value through other comprehensive income	-	-	-	-	255	-	255	-	255
Fair value changes on financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	(101)	7,189	7,088	(22)	7,066
Transfer of retained earnings to statutory reserves	-	-	-	-	-	-	-	-	-
Issue of shares	36	54,551	-	-	-	-	54,587	-	54,587
As at 30 June 2024	108	378,133	4,595	139,821	-	115,533	638,190	1,479	639,669
(Unaudited)									
As at 1 January 2023	72	323,582	4,457	139,821	-	75,415	543,347	1,513	544,860
Profit for the year	-	-	-	-	-	20,493	20,493	(18)	20,475
Total comprehensive income	-	-	-	-	-	-	-	-	-
Fair value changes on financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	20,493	20,493	(18)	20,475
Transfer of retained earnings to statutory reserves	-	-	710	-	-	(710)	-	-	-
As at 30 June 2023	72	323,582	5,167	139,821	0	95,198	563,840	1,495	565,335

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

As of the six months ended 30 June 2024

		As of the six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
	Notes	(Unaudited)	(Unaudited)
Cash flows from operating activities			
Profit before income tax expense		8,226	23,259
Adjustments to:			
Depreciation of property, plant and equipment	11	327	339
Depreciation of right-of-use assets	11	1,314	1,440
Amortisation of intangible assets	11	7,796	7,501
Finance costs	10	1,761	443
Interest income	8	(31)	(398)
Provision for impairment loss recognised on trade receivables and debt instruments measured at FVTOCI (Net)	11	36,915	18,469
Gain on fair value changes on conversion option derivatives	9	–	–
Loss on de-recognition of convertible bonds	9	–	–
Loss on disposal of property, plant and equipment	9	34	–
Income from lease change		(120)	–
Effect of foreign exchange rate changes		(232)	1,059
Operating profit before changes in working capital		55,990	52,112
Increase in trade receivables		(169,763)	(29,963)
Increase in prepayments, deposits and other receivables		(34,945)	(297,679)
(Increase)/decrease in contract costs		5	(124)
(Decrease)/increase in trade payables		18,054	4,778
Increase in other payables and accruals		6,954	3,342
Increase in contract liabilities		9,538	100,091
Cash used in or generated from operating activities		(114,167)	(167,443)
Income tax paid		(468)	(1,229)
Net cash used in or generated from operating activities		(114,635)	(168,672)
Cash flows from investing activities			
Purchases of property, plant and equipment		(513)	(125)
Prepayment of property, plant and equipment		–	–
Financial assets acquired at amortised cost		2,101	–
Redemption of acquired financial assets at amortised cost		14,764	–
Equity instrument investment at FVTOCI		10	(10)
Contributions to associates		(2,000)	–
Purchase of intangible assets		–	–
Income from sale of property, plant and equipment		53	–
Interest received		31	398
Net cash used in investing activities		14,446	263

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

As of the six months ended 30 June 2024

		As of the six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
	Notes	(Unaudited)	(Unaudited)
Cash flows from financing activities			
Proceeds from bank borrowings	40	20,000	30,000
Repayment of bank borrowings	40	(10,000)	(32,000)
Proceeds from loan from third parties	40	13,140	–
Repayment of loan from third parties	40	(13,950)	–
Proceeds from loan from a shareholder	40	–	–
Repayment of loan from a shareholder	40	–	–
Proceeds from issuance of convertible bonds	40	–	–
Repayment of convertible bonds	40	–	(33,813)
Repayment of principal portion of lease liabilities	40	(756)	(713)
Payment of issue costs of shares		–	–
Reimbursement to directors	40	–	–
Settlement of consideration of business transfer	40	–	–
Proceeds from issue of new ordinary shares		81,942	–
Interest paid	40	(1,782)	(3,828)
Net cash used in or generated from financing activities		88,594	(40,354)
Net (decrease)/increase in cash and cash equivalents		(11,595)	(208,763)
Cash and cash equivalents at the beginning of year		26,131	329,188
Effect of foreign exchange rate changes on cash and cash equivalents		232	(1,059)
Cash and cash equivalents at the end of year		14,768	119,366
Analysis of balances of cash and cash equivalents:			
Cash and bank balances		14,768	119,366

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2024

1. GENERAL INFORMATION

Many Idea Cloud Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 10 June 2021, as an exempted company with limited liability under the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”) since 9 November 2022.

The registered office of the Company is located at 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands. Its principal place of business is 12/F., ERKE Group Mansion, 11 Guanyin Shan Hualian Road, Siming District, Xiamen, Fujian Province, the People’s Republic of China (the “PRC”).

The Company is an investment holding company and the Group, comprising the Company and its subsidiaries, is principally engaged in the provision of integrated marketing services in the PRC.

The ultimate controlling parties of the Group are Mr. Liu Jianhui (“Mr. Liu”) and his spouse, Ms. Qu Shuo (“Ms. Qu”), who are the executive director/the Chairman and the executive director of the board of directors of the Company (the “Controlling Shareholders”), respectively.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(a) Adoption of new or amended HKFRSs – effective 1 January 2023

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
HKFRS 17	Insurance Contracts

None of these new or amended HKFRSs has a material impact on the Group’s results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRSs that are not yet effective for the current accounting period.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(b) New or amended HKFRSs that have been issued but not yet effective

The following new or amended HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current ¹
Amendments to HKAS 1	Non-current Liabilities with Covenants ¹
HK Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ¹
Amendments to HKAS 21	Lack of Exchangeability ²

¹ Effective for annual periods beginning on or after 1 January 2024.

² Effective for annual periods beginning on or after 1 January 2025.

Further details about those HKFRSs that are not yet effective and are expected to be applicable to the Group are as follows:

Amendments to HKAS 1, Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants and HK Interpretation 5 (Revised), Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The Amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of liability, and explain that rights are in existence if covenants are complied with at the end of the reporting period. The Amendments also introduce a definition of ‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

HK Interpretation 5 (2022) was revised as a consequence of the Amendments to HKAS 1 revised in December 2022. The revision to HK Interpretation 5 (Revised) updates the wording in the interpretation to align with the Amendments to HKAS 1 with no change in conclusion and does not change the existing requirements.

The directors of the Company do not anticipate that the application of the amendments and revisions in the future will have a material impact on the consolidated financial statements.

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2024

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(b) New or amended HKFRSs that have been issued but not yet effective (Continued)

Amendments to HKAS 21, Lack of Exchangeability

The Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate the comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRS”) issued by the Hong Kong Institution of Certified Public Accountants and the disclosure requirement of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Listing Rules”).

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for the financial assets at fair value through other comprehensive income and conversion option portion of convertible bonds, which are measured at fair value as explained in the accounting policies set out below.

(c) Functional and presentation currency

The consolidated financial statements are presented in Renminbi (“RMB”), which is the same as the functional currency of the Company. All values in the consolidated financial statements are rounded to the nearest thousand except when otherwise indicated.

3. BASIS OF PREPARATION (Continued)

(d) New guidance on accounting for the MPF-LSP offsetting mechanism in Hong Kong issued by HKICPA

In June 2022, Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (“the Amendment Ordinance”) was enacted. The Amendment Ordinance abolishes the use of the accrued benefits derived from employers’ mandatory contributions under the mandatory provident fund (“MPF”) scheme to offset severance payment (“SP”) and long service payments (“LSP”) (“the Abolition”). Subsequently, the Government of HKSAR announced that the Abolition will take effect on 1 May 2025 (“the Transition Date”).

The following key changes will take effect since the Transition Date:

- Accrued benefits derived from employers’ mandatory MPF contributions cannot be used to offset the LSP/SP in respect of the employment period after the Transition Date.
- The pre-transition LSP/SP is calculated using the last month’s salary immediately preceding the Transition Date, instead of using the last month’s salary of employment termination date.

Due to the complexities of the accounting for the offsetting of accrued benefits derived from an employer’s mandatory MPF contributions and its LSP obligation and the accounting for the offsetting mechanism could become material in light of the Abolition, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” (“the Guidance”) in July 2023 to provide guidance to account for the offsetting mechanism and the Abolition. The HKICPA concluded that there are two acceptable accounting approaches for the offsetting mechanism, being:

- Approach 1: Account for the amount expected to be offset as a deemed employee contribution towards that employee’s LSP benefits in terms of HKAS 19.93(a)
- Approach 2: Account for the employer MPF contributions and the offsetting mechanism as a funding mechanism for the LSP obligation

For the years ended 31 December 2023 and 30 June 2024, the Group’s LSP liability before the expected offsetting under the MPF-LSP offsetting mechanism is immaterial. Application of the Guidance had no material effect on the consolidated financial statements of the Group.

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2024

4. MATERIAL ACCOUNTING POLICIES

(a) Basis of consolidation

When the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee when it has power over the investee, is exposed or has rights to variable returns from the investee, and has the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Financial statements of subsidiaries are included in the consolidated financial statements from the date control is obtained until the date on which control ceases.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Leasehold improvement	The shorter of 3 years or period of the related lease
Furniture and equipment	20%–33.33%
Motor vehicles	12.5%

The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

(c) Intangible assets

Intangible assets acquired separately are initially recognised at cost. Subsequently, intangible assets with indefinite useful lives are carried at cost less any accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation is provided on a straight-line basis over their useful lives. The principal annual rates are as follows:

Computer software	10%–33.33%
Licences	Over the term of licence agreement

4. MATERIAL ACCOUNTING POLICIES (Continued)

(c) Intangible assets (Continued)

The useful lives and amortisation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

SaaS related software acquired in the course of business operation is recognised as computer software. The SaaS related software has a finite useful life that is dependent to the SaaS interactive marketing business of the Group and is carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight-line method over the expected useful life of the SaaS related software, which is estimated to be 10 years. The expected useful life is principally determined based on (1) the typical term of the service contracts; (2) the business expansion plan of SaaS interactive marketing business formulated by the management; (3) the capability and functionality of the SaaS related software; and (4) technological obsolescence.

(d) Financial instruments

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income ("FVTOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Debt investments at FVTOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(d) Financial instruments (Continued)

(i) Financial assets (Continued)

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at FVTOCI are measured at fair value. Dividend income is recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

(ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on trade receivables and other debt financial assets.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group measures loss allowances for trade receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on lifetime ECLs except when there has not been a significant increase in credit risk since initial recognition, in which case the allowance will be based on the 12-month ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(d) Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to action such as realising security (if any is held); or the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

The Group considers a financial asset to be credit-impaired when:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in "FVTOCI reserve (recycling)".

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non-credit-impaired financial assets, interest income is calculated based on the gross carrying amount.

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2024

4. MATERIAL ACCOUNTING POLICIES (Continued)

(d) Financial instruments (Continued)

(iii) Financial liabilities

Financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred. They are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Convertible bonds

Convertible bonds issued by the Company that contain the liability and conversion option components are classified separately into their respective items on initial recognition. Conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is a conversion option derivative.

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. Interest related to the liability component is recognised in profit or loss. The conversion option derivative is measured at fair value with changes in fair value recognised in profit or loss. When the bonds are redeemed, any difference between the amount paid and the carrying amounts of both components is recognised in profit or loss.

(v) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(e) Interests in associates

Associates are those entities in which the Group has significant influence, but not control or control, over the financial and operating policies.

Interests in associates are accounted for under the equity method. They are initially recognised at cost, which includes any transaction costs. Subsequent to initial recognition, consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the investees, until the date on which significant influence ceases.

(f) Leases

The Group as a lessee

All leases are capitalised in the statement of financial position as right-of-use assets and lease liabilities, except for leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Right-of-use assets

The right-of-use asset is initially recognised at cost and would comprise:

- (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability);
- (ii) any lease payments made at or before the commencement date, less any lease incentives received;
- (iii) any initial direct costs incurred by the lessee; and
- (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The Group measures the right-of-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the underlying assets.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(f) Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequent to the commencement date, the Group measures the lease liability by:

- (i) increasing the carrying amount to reflect interest on the lease liability;
- (ii) reducing the carrying amount to reflect the lease payments made; and
- (iii) remeasuring the carrying amount to reflect any reassessment or lease modification, or to reflect revised in-substance fixed lease payments.

(g) Foreign currencies

Transactions entered into by the group entities in currencies other than the currency of the primary economic environment in which they operate (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of each reporting period. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

(h) Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of each reporting period in which the employees render the related service. Short-term employee benefits are recognised in the year when the employees render the related service.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(i) Revenue recognition

(i) Revenue from integrated marketing services

Integrated marketing services mainly include planning, designing, producing, and implementing various interactive contents and marketing materials (such as texts, pictures, audio, videos, and mini-games). The Group provides strategic advertising placement strategies and plans, and advertises the brand and products of customers through online networks and offline promotion; the Group also provides exclusive marketing solutions to meet customers' specific offline marketing and promotional needs (including hosting and execution of events).

Due to the high integration of various tasks resulting in the transfer of portfolio outputs to the customers over time, or because the Group is unable to fulfill its commitments by independently transferring each service, separate performance obligations are usually established in contracts relating to integrated marketing services. However, where the contract involves two or more services that can be separately distinguished and are indeed different within the scope of the contract, these services will be accounted for as independent performance obligations, with revenue allocated based on their relative standalone selling prices. The standalone selling prices are estimated using an expected cost plus a margin approach, and the expected costs of fulfilling the performance obligations and appropriate profit margins for the service should be considered.

The duration of each integrated marketing project typically ranges from one month to twelve months. Customers usually adopt installment payments, with the first payment made shortly after the agreement is signed and the final payment made after the project report is delivered or after the customers confirm the fulfillment of their obligations under the agreements. Generally, invoices issued will be paid within 180 days. As the contract is usually completed within one year, the Group has adopted a practical expedient and does not recognise any financing elements after considering the restrictions on payment terms.

Revenue from integrated marketing services is recognised over time under the output method as, in the event of termination, the Group is required to provide customers with information on designs completed to date and regularly provide interactive content and marketing materials available to customers at a level of detail that does not require customers to enter into a contract with other entities to re-perform the work substantially.

In addition, the Group also provides marketing services through online platforms, including platform subscription services and customised marketing content and materials. Under the subscription services, the Group will provide customers with access to corresponding functions and marketing operation tools on the platform. Generally, the subscription services are provided on an annual basis, with a service term of one year. Moreover, the Group has provided customised marketing content and materials to customers based on their specific requirements for their exclusive use for a certain period. The contract typically includes a performance obligation.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(i) Revenue recognition (Continued)

(i) Revenue from integrated marketing services (Continued)

As customers benefit from the services provided, the Group will recognise subscription service revenue using the straight-line method over the service subscription period.

When customers can utilise the customised marketing content and materials and gain benefits from them, the Group will recognise the revenue generated from providing these customised marketing content and materials. From that time onwards, no activities that could significantly affect the customised marketing content and materials will take place.

Contract assets and liabilities

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. In contrast, a receivable represents the Group's unconditional right to consideration, i.e., only the passage of time is required before payment of that consideration is due. Contract assets are subject to impairment assessment on the same basis as trade receivables, details of which are included in the accounting policies for impairment of financial assets.

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Contract costs

The Group recognises an asset from the costs incurred to fulfill a contract when those costs meet all of the following criteria:

- (a) the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- (b) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (c) the costs are expected to be recovered.

The asset recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the cost relate. The asset is subject to impairment review.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(j) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable and are recognised as other revenue, rather than reducing the related expense.

(k) Income taxes

Income taxes for the period comprise current tax and deferred tax. Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of each reporting period. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income tax.

Deferred tax is recognised in respect of temporary differences. Except for goodwill not deductible for tax purposes and initial recognition of assets and liabilities that are not part of the business combination which affect neither accounting nor taxable profits and does not give rise to equal taxable and deductible temporary differences, taxable temporary differences arising on investments in subsidiaries and associates where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised, provided that the deductible temporary differences do not arise from initial recognition of assets and liabilities in a transaction other than in a business combination that affects neither taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary differences. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of each reporting period, and reflects any uncertainty related to income taxes.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(l) Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- right-of-use assets;
- intangible assets;
- interests in associates; and
- prepayment under non-current assets.

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

(m) Research and development costs

All research and development costs are charged to profit or loss as incurred.

Expenditure incurred to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expenses when incurred.

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements in applying accounting policies

(i) Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the group entities, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the group entities are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

(b) Key sources of estimation uncertainty

(i) Useful lives and residual values of property, plant and equipment

The Group's management determines the estimated useful lives and residual values for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charge where useful lives are less than previously estimated. It will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives; actual residual values may differ from estimated residual values. Periodic view could result in a change in depreciable lives and residual values and therefore depreciation expense in future periods.

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(b) Key sources of estimation uncertainty (Continued)

(ii) Impairment of trade receivables, deposits and other receivables and other financial assets

The measurement of impairment losses under HKFRS 9 requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, including the economic downturn, which have made these estimates more judgemental, in which can result in different levels of allowances.

At the end of each reporting period, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

(iii) Income tax and deferred tax

Determining income tax provisions requires the Group to make judgements on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions in accordance with prevailing tax regulations and makes tax provisions accordingly. In addition, deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. This requires significant judgement on the tax treatments of certain transactions and also assessment on the probability that adequate future taxable profits will be available for the deferred tax assets to be recovered.

(iv) Useful lives of intangible assets

The Group's management determines the estimated useful lives and related amortisation charges for the Group's intangible assets with reference to the estimated periods that the Group intends to derive future economic benefits from the use of these assets. Management will revise the amortisation charges where useful lives are different to that of previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable lives and therefore amortisation expense in future periods.

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(b) Key sources of estimation uncertainty (Continued)

(v) Impairment of property, plant and equipment, intangible assets and right-of-use assets

Property, plant and equipment, intangible assets and right-of-use assets are tested for impairment when indicators exist. An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount being fair value less costs of disposal or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

6. SEGMENT INFORMATION

Operating segments

The Group is principally engaged in provision of integrated marketing services in the PRC.

The information reported to the board of directors of the Company, being the chief operating decision makers ("CODM"), for the purpose of resource allocation and performance assessment, does not contain discrete operating segment financial information, and the CODM reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Information about major customers

During the six months ended 30 June 2024 and the six months ended 30 June 2023, the Group's customers accounting for 10% or more of its total revenue are as follows:

	As of the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Customer A	N/A	48,985
Customer B	N/A	35,546
Customer C	N/A	33,392
Customer D	89,003	N/A
Customer E	87,261	N/A

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2024

7. REVENUE

An analysis of revenue is as follows:

	As of the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Integrated marketing services	839,263	287,607
Timing of revenue recognition		
At a point in time	2,242	9,700
Transferred over time	837,021	277,907
	839,263	287,607

The Group has applied the practical expedient to its performance obligation under the sales contracts for integrated marketing services and therefore the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for the performance obligation is part of a contract that had an original expected duration of one year or less.

8. OTHER REVENUE

	As of the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Government grants (<i>Note i</i>)	5,277	2,295
Bank interest income	31	398
Interest income on debt instruments at FVTOCI	369	–
Additional value-added tax ("VAT") input deduction (<i>Note ii</i>)	969	1,420
Others	1	1
	6,647	4,114

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2024

8. OTHER REVENUE(Continued)

Notes:

(i) Government grants mainly represent grants received from the PRC local government authority as subsidies to the Group for:

- (a) encouragement of other profitable services development; and
- (b) several measures to promote the growth of foreign investment.

There are no unfulfilled conditions and other contingencies attaching to government assistance that has been recognised for the six months ended 30 June 2023 and the six months ended 30 June 2024.

(ii) Additional VAT input deduction was recognised in profit or loss due to the VAT reform. In accordance with VAT Reformation Article No. 39, the Group is eligible for VAT credits of 10% additional VAT input deduction from 1 April 2019 to 31 January 2024 upon meeting all applicable criteria.

9. OTHER GAINS AND LOSSES

	As of the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Exchange gains/(losses), net	191	(1,059)
Loss on disposal of property, plant and equipment	86	–
	277	(1,059)

10. FINANCE COSTS

	As of the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Interest expenses on bank borrowings	1,163	845
Interest expenses on loan from third parties	570	–
Imputed interest expenses on convertible bonds	–	(645)
Imputed interest expenses on lease liabilities (Note 19)	28	92
Others	–	151
	1,761	443

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2024

11. PROFIT BEFORE INCOME TAX EXPENSE

The Group's profit before income tax expense is arrived at after charging:

	As of the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Auditors' remuneration		
Amortisation of intangible assets included in (Note 20):		
– Administrative expenses	5	19
– Cost of revenue	6,559	6,336
– Selling and marketing expenses	9	41
– Research costs	1,223	1,105
	7,796	7,501
Cost of revenue (Note)	783,620	232,942
Cost of inventories recognised as expenses	1,087	1,668
Depreciation charged:		
– Property, plant and equipment (Note 18)	327	339
– Right-of-use assets (Note 19)	1,314	1,440
Employee costs (Note 12)	12,855	11,285
Listing expenses		
Provision of impairment loss recognised on trade receivables (Note 22)	37,271	18,469
(Reversal)/recognition of provision of impairment loss recognised on debt instruments measured at FVTOCI (Note 21)	(356)	–
	36,915	18,469
Research costs included in administrative expenses	2,327	3,941
Short-term leases expenses	655	818

Notes: Cost of revenue includes RMB7,086,000 (the same period in 2023: RMB3,267,000) of employee costs, RMB544,000 (the same period in 2023: RMB759,000) of short-term leases expenses, RMB1,087,000 (the same period in 2023: RMB1,668,000) of costs of inventories recognised as expenses, which are also included in the respective total amounts disclosed above for each of these types of expenses respectively.

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2024

12. EMPLOYEE COSTS

	As of the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Employee costs (including directors' emoluments (<i>Note 14</i>)) comprise:		
Wages and salaries	11,596	10,265
Contributions to retirement benefits scheme	1,122	916
Other employee benefits	137	104
	12,855	11,285

13. RETIREMENT BENEFITS SCHEME

According to relevant regulations of the PRC government, the Group participates in a centralised pension scheme operated by the local municipal government (the "Scheme"), under which the Company's Chinese subsidiaries are required to contribute certain percentages of their employees' basic salary to the Scheme to fund such retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of the subsidiaries of the Company. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme. Contributions under the Scheme are recognised in profit or loss when incurred.

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2024

14. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENT

(i) Directors' remuneration

Directors' emoluments disclosed pursuant to the Listing Rules and section 78(1) of Schedule 11 to the Hong Kong Companies Ordinance (Cap. 622) as follows:

As of the six months ended 30 June 2024 (Unaudited)				
		Salaries, Allowances and Benefits in Kind	Contributions to Retirement Benefits Scheme	Total Emoluments
Notes	Expenses RMB'000	RMB'000	RMB'000	RMB'000
Executive Directors				
Mr. Liu	–	739	66	805
Ms. Qu Shuo	–	392	7	399
Mr. Chen Shancheng	–	400	6	406
Mr. Chen Zeming	–	155	6	161
	–	1,686	85	1,771
Independent Non-executive Directors				
Ms. Wang Yingbin (i)	68	–	–	68
Ms. Wong Yan Ki, Angel (ii)	82	–	–	82
Mr. Tian Tao (iii)	68	–	–	68
Ms. Xiao Huilin (iv)	68	–	–	68
	286	–	–	286
Non-executive Director				
Ms. Liu Hong (vi)	52	–	–	52
	52	–	–	52
	338	1,686	85	2,109

14. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENT (Continued)

(i) Directors' remuneration (Continued)

As of the six months ended 30 June 2023 (Unaudited)					
		Fees	Salaries, Allowances and Benefits in Kind	Contributions to Retirement Benefits Scheme	Total Emoluments
	Notes	RMB'000	RMB'000	RMB'000	RMB'000
Executive Directors					
Mr. Liu		–	423	58	481
Ms. Qu Shuo		–	390	7	397
Ms. Huang Tingting	(v)	–	91	3	94
Mr. Chen Shancheng		–	396	6	402
Mr. Chen Zeming		–	143	6	149
		–	1,443	80	1,523
Independent Non-executive Directors					
Ms. Wang Yingbin	(i)	75	–	–	75
Ms. Wong Yan Ki, Angel	(ii)	90	–	–	90
Mr. Tian Tao	(iii)	75	–	–	75
Ms. Xiao Huilin	(iv)	56	–	–	56
		296	–	–	296
		296	1,443	80	1,819

Notes:

- (i) Ms. Wang Yingbin was appointed as an independent non-executive director on 12 October 2022.
- (ii) Ms. Wong Yan Ki, Angel was appointed as an independent non-executive director on 12 October 2022.
- (iii) Mr. Tian Tao was appointed as an independent non-executive director on 12 October 2022.
- (iv) Ms. Xiao Huilin was appointed as an independent non-executive director on 15 February 2023.
- (v) Ms. Huang Tingting resigned as an executive director on 29 March 2023.
- (vi) Ms. Liu Hong was appointed as a non-executive director on 10 January 2024.

For the six months ended 30 June 2024 and for the six months ended 30 June 2023, none of the directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the directors as an inducement to join or upon joining the Group, or as compensation for loss of office.

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2024

14. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENT (Continued)

(ii) Five highest paid individuals

The five highest paid individuals of the Group included three directors (2023: three) whose emoluments are reflected in Note 14(i). The analysis of the emolument of the remaining two highest paid individuals (2023: two individuals) is set out below:

	As of the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Salaries and other benefits	640	409
Contributions to retirement benefits scheme	29	12
	669	421

The number of non-director highest paid individuals whose remuneration fell within the following band is as follows:

	As of the six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Nil to HKD1,000,000	2	2

None (2023: none) of the five highest paid individuals waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office.

14. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENT (Continued)

(iii) Range of Senior Management's emolument

The number of senior management whose remuneration fell within the following band is as follows:

	As of the six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Nil to HKD1,000,000	4	3

15. INCOME TAX (CREDIT)/EXPENSE

The amount of income tax expense in the consolidated statement of profit or loss and other comprehensive income represents:

	As of the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Current tax – PRC Enterprise Income Tax (the “PRC EIT”)		
– current period	8,386	5,898
– under-provision in prior years	–	25
Deferred tax (Note 27)		
– current period	(7,327)	(3,139)
Income tax (credit)/expense	1,059	2,784

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Company incorporated in the Cayman Islands and the Company's subsidiary incorporated in the BVI are not subject to any income tax.

Hong Kong Profits Tax for the Company's subsidiary incorporated in Hong Kong has been provided at the rate of 16.5% on the estimated assessable profits, if any.

NOTES TO INTERIM FINANCIAL INFORMATION

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15. INCOME TAX (CREDIT)/EXPENSE (Continued)

Pursuant to the income tax rules and regulations of the PRC, the provision for PRC EIT of the subsidiaries of the Group is calculated based on the statutory tax rate of 25%, except for the below subsidiaries, which are entitled to a preferential tax rate according to the Enterprise Income Tax Preference Policies issued by the State Taxation Administration.

According to “Notice of the Ministry of Finance and the State Taxation Administration on Preferential Enterprise Income Tax Policies for Xinjiang Kashi and Horgos” (“財政部、國家稅務總局關於新疆喀什霍爾果斯兩個特殊經濟開發區企業所得稅優惠政策的通知”), a subsidiary of the Group located in Xinjiang, the PRC was entitled to the exemption from the EIT for 5 years since it started its operation in 2022. According to the approval from the PRC government, such exemption will be ended on 31 December 2027.

According to “Announcement of Continuing the Enterprise Income Tax Policies for the Large-Scale Development of Western China” (“關於延續西部大開發企業所得稅政策的公告”), another subsidiary of the Group located in Xinjiang was no longer subjected to the exemption from the EIT. According to “Notice of the Ministry of Finance and the State Taxation Administration on Preferential Enterprise Income Tax Policies for Xinjiang Kashi and Horgos”, the subsidiary was entitled to a preferential tax rate of 15% since 1 January 2021.

According to “Notice on the implementation of inclusive tax reduction and exemption policies for small and micro enterprises” (“關於實施小微企業和個體工商戶所得稅優惠政策的公告”) since 1 January 2022, for certain subsidiaries of the Group located in the PRC, if their annual taxable profits do not exceed RMB1 million, only 12.5% of such amount is taxable at 20%; while if their annual taxable profits do exceed RMB1 million but less than RMB3 million, only 25% of such amount is taxable with a tax rate of 20%. However, if their annual taxable profits do exceed RMB3 million, the whole amount will be taxable at the tax rate of 25%.

According to “Notice of Preferential Income Tax Policies for Enterprises in Hainan Free Trade Port” (“關於海南自由貿易港企業所得稅優惠政策的通知”), a subsidiary of the Group located in Hainan, the PRC was entitled to a preferential tax rate of 15%.

The weighted average applicable tax rate was 12.9% (2023: 11.97%).

16. DIVIDENDS

There were no dividends paid or declared by the Company for the six months ended 30 June 2024 and the six months ended 30 June 2023.

17. EARNINGS PER SHARE

(a) Basic

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	As of the six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Profit for the year attributable to owners of the Company for the purpose of computation of basic earnings per share (RMB'000)	7,189	20,493
Weighted average number of ordinary shares for the purpose of computation of basic earnings per share	960,000,000	800,000,000
Basic earnings per share (RMB)	0.007	0.026

For the purpose of computing basic earnings per share, ordinary shares issued in the Group Reorganisation were assumed to have been issued and allocated on 1 January 2022.

For the purpose of calculating the weighted average number of ordinary shares, the number of shares has taken the Capitalisation Issue into account as the Capitalisation Issue was deemed to be effective since 1 January 2022 and the shares issued during the Group Reorganisation are treated as if they had been in effect and issued on 1 January 2022.

The weighted average number of ordinary shares used to calculate the basic earnings per share amount for the year ended 31 December 2022 was based on the below:

- (a) Weighted average number of ordinary shares used to calculate the basic earnings per share amount for the year ended 31 December 2021 of 637,538,159 (including Capitalisation Issue of 595,244,490, 1 share issued at the date of incorporation of the Company and 42,293,668 ordinary shares issued on 16 November 2021);
- (b) 2,461,841 ordinary shares issued on 24 January 2022;
- (c) The shares of the Company were listed on the Hong Kong Stock Exchange on 9 November 2022, whereby 160,000,000 new shares were issued by the Company;
- (d) Public offering of 400,000,000 ordinary shares on 18 April 2024.

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2024

17. EARNINGS PER SHARE (Continued)

(b) Diluted

Diluted earnings per share amount was the same as basic earnings per share amount as there were no potential dilutive ordinary shares outstanding for the six months ended 30 June 2024 and 2023.

18. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement RMB'000	Office equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
(Unaudited)				
Cost				
As at 1 January 2023	5,762	2,394	1,913	10,069
Additions	–	231	–	231
Disposal	–	(13)	–	(13)
As at 31 December 2023	5,762	2,612	1,913	10,287
Additions	–	110	403	513
Disposal	(61)	–	(267)	(328)
As at 30 June 2024	5,701	2,722	2,049	10,472
Accumulated depreciation and impairment				
As at 1 January 2023	5,357	1,925	1,256	8,538
Deduction in the current period	242	220	231	693
Disposal	–	(1)	–	(1)
As at 31 December 2023	5,599	2,144	1,487	9,230
Deduction in the current period	102	108	117	327
Disposal	–	–	(241)	(241)
As at 30 June 2024	5,701	2,252	1,363	9,316
Net book value				
As at 30 June 2024	–	470	686	1,156
As at 31 December 2023	163	468	426	1,057

19. LEASES

The Group as a lessee

The Group has entered into lease contracts for property and buildings used in its operations. Lease terms for property and buildings are typically 1.25 to 8.0 years. The lease only contains fixed lease payments for the term of the lease and does not contain extension and termination options.

(a) Right-of-use assets

	Total RMB'000 (Unaudited)
As at 1 January 2023	4,411
Commencement of lease	–
Depreciation in the current period	(2,876)
As at 31 December 2023 and 1 January 2024	1,535
Commencement of lease	4,237
Depreciation in the current period	(1,314)
Early termination in the current period	(338)
As at 30 June 2024	4,120

(b) Lease liabilities

	Total RMB'000 (Unaudited)
As at 1 January 2023	4,018
Commencement of lease	–
Interest expenses	124
Lease payments	(3,283)
As at 31 December 2023 and 1 January 2024	859
Commencement of lease	4,237
Early termination in the current period	(458)
Interest expenses	28
Lease payments	(784)
As at 30 June 2024	3,882

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2024

20. INTANGIBLE ASSETS

	Computer software RMB'000 (Unaudited)	Licences RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
(Unaudited)			
Cost			
As at 1 January 2023	102,903	23,321	126,224
Additions			
– Externally acquired	19,556	–	19,556
As at 31 December 2023 and 1 January 2024	122,459	23,321	145,780
Additions			
– Externally acquired	–	–	–
As at 30 June 2024	122,459	23,321	145,780
Accumulated amortisation and impairment			
As at 1 January 2023	12,705	7,385	20,090
Deduction in the current period	10,903	4,664	15,567
As at 31 December 2023 and 1 January 2024	23,608	12,049	35,657
Deduction in the current period	5,464	2,332	7,796
As at 30 June 2024	29,072	14,381	43,453
Net book value			
As at 30 June 2024	93,387	8,940	102,327
As at 31 December 2023	98,851	11,272	110,123

The Group's computer software with a carrying amount of RMB93,387,000 (as at 31 December 2023: RMB98,851,000) will be fully amortised in 9.42 years (as at 31 December 2023: 10 years).

The Group's licences with a carrying amount of RMB8,940,000 (as at 31 December 2023: RMB11,272,000) will be fully amortised in 1.92 years (as at 31 December 2023: 2.42 years).

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Unaudited)
Non-current		
Equity instruments of non-listed companies at FVTOCI	–	10
Current		
Debt instruments at FVTOCI	2,101	18,711
	2,101	18,721

As at 30 June 2024, the non-current balance represented the amount of unlisted equity investments held by the Group in an unlisted company established within China, in which the Group holds 5.0% of stock equity. The Company was deregistered on 29 March 2024.

As at 31 December 2023, the current balance represented the amount of capital protected fund investment, which has an initial carrying value of RMB17,900,000, with the interest bearing at a fixed annual rate of 5.50% (2022: 5.50%). The fund is subject to a one-year lockup period from the date of purchase.

As at 30 June 2024, the current balance represents the amount of Fullgoal Fund investment, with an initial carrying value of RMB2,101,000. The fund was redeemed on 14 July 2024.

Debt instruments are classified as financial assets at fair value through other comprehensive income because they are held within a business model that achieves its objectives by collecting contractual cash flows and selling the debt instruments. The contractual cash flows consist solely of payments of principal and interest.

Further details on the Group's fair value measurement are set out in Note 38(f).

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2024

22. TRADE RECEIVABLES

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Trade receivables	594,741	424,977
Less: provision for impairment loss recognised	(148,754)	(111,482)
	445,987	313,495

The Group's trading terms with customers are mainly on credit. The credit terms are generally 180 days.

An ageing analysis, based on the date of rendering services, which approximates the respective revenue recognition dates (before impairment), as of the end of the reporting period is as follows:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
1 to 6 months	335,882	240,387
More than 6 months but less than 12 months	117,701	76,605
More than 1 year but less than 2 years	84,175	65,414
More than 2 years	56,983	42,571
	594,741	424,977

Movements in the Group's provision for impairment on trade receivables are as follows:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
At the beginning of the year	111,482	45,721
Provision for impairment loss on trade receivables (Note 11)	37,271	65,761
At the end of year	148,754	111,482

Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 38(a).

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2024

23. INTERESTS IN ASSOCIATES

	30 June 2023 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Beginning of the period/year	47,000	–
Investment in associates	2,000	47,000
Ending of the period/year	49,000	47,000

These associates are accounted for using the equity method in the consolidated financial statements.

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Note	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Current			
Prepayments		222,037	194,713
Deposit		5,995	904
Value added tax recoverable		27,647	25,124
Interest receivables		–	–
Other receivables	a	478	164
		256,157	220,905
Non-current			
Deposit		–	–
Other prepayments		357	664
Prepayment of property, plant and equipment		13,400	13,400
		13,757	14,064
		269,914	234,969

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2024

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

Notes:

Deposits and other receivables are mainly denominated in Renminbi, and their carrying amounts approximate their fair values as they fall due within a short period of time from the reporting date. There was no provision for impairment on deposits and other receivables for the six months ended 30 June 2024 and the six months ended 30 June 2023.

- (a) The counterparties underlying other receivables for the six months ended 30 June 2024 and the six months ended 30 June 2023 had no recent history of defaults nor any past due amounts and the corresponding loss provisions assessed by management were deemed insignificant. These balances did not accrue interest and are expected to be recovered at their respective maturity dates.

25. CONTRACT COSTS

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Contract costs	95	100

Capitalised contract costs as at 30 June 2024 and 31 December 2023 relate to performance costs incurred as a result of service agreements entered into by customers with the Group. Contract costs are recognised as part of “cost of revenue” in profit or loss in the period when revenue from related services is recognised. The balance of the capitalised contract costs is expected to be recovered within one year.

26. CASH AND CASH EQUIVALENTS

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Cash and bank balances	14,768	26,131

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2024

27. DEFERRED TAX ASSETS

	Allowance for Expected Credit Loss RMB'000	Total RMB'000
(Audited)		
As at 1 January 2023	9,836	9,836
Credited to profit or loss for the period (Note 15)	12,062	12,062
As at 31 December 2023 and 1 January 2024 (Unaudited)	21,898	21,898
Credited to profit or loss for the period (Note 15)	7,327	7,327
As at 30 June 2024	29,225	29,225

- (a) The unused tax losses carried forward not recognised in the consolidated financial statements due to the unpredictability of future profit streams are as follows:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Unused tax losses	3,377	2,647

Tax losses in the PRC can only be carried forward for a maximum period of five years. The expiry of unused tax losses for which no deferred tax assets have been recognised is as follows:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Tax losses will expire in 2023	—	—
Tax losses will expire in 2024	4	4
Tax losses will expire in 2025	5	5
Tax losses will expire in 2026	100	100
Tax losses will expire in 2027	2,425	2,425
Tax losses will expire in 2028	1	113
Tax losses will expire in 2029	842	—
	3,377	2,647

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27. DEFERRED TAX ASSETS (Continued)

- (b) According to the Enterprise Income Tax Law and its Implementation Regulations, PRC withholding income tax is applicable to interest and dividends payable to investors that are “non-tax resident enterprises”, which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but have no relevant revenue effectively connected with the establishment or place of business, to the extent such interest or dividends have their sources within the PRC. Under such circumstances, dividends distributed from the PRC subsidiaries to off-shore group entities shall be subject to the withholding tax at 10% or a lower treaty rate. For the Group, the applicable tax rate is 10%. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to approximately RMB209,717,000 (2023: RMB196,183,000).

The Board of Directors of the Company affirms that the undistributed earnings of the PRC subsidiaries as of 30 June 2024 and 31 December 2023 will be reserved for the expansion of operations. Consequently, the Group has not provided for the deferred tax liabilities in respect of withholding tax on the remaining undistributed earnings of the Group’s PRC entities as the Group is capable of controlling the timing of the reversal of such temporary difference, and it is highly likely that such temporary difference would not be reversed in the foreseeable future.

28. TRADE PAYABLES

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Trade payables (Note (a))	36,537	18,483

Notes:

- (a) An ageing analysis of trade payables as at the reporting date, based on the invoice dates, is as follows:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Within 6 months	28,564	10,119
More than 6 months but less than 12 months	6,250	3,324
More than 1 year but less than 2 years	557	4,310
More than 2 years	1,166	730
	36,537	18,483

The Group’s trade payables are non-interest bearing and generally have payment terms of 30-90 days.

NOTES TO INTERIM FINANCIAL INFORMATION

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29. OTHER PAYABLES AND ACCRUALS

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Accrued salaries	2,889	3,089
Accrued expenses	3,105	3,332
Accrued listing expenses	–	319
Other tax payables	49,764	42,063
Other payables	9,127	–
	64,885	48,803

Other payables and accruals are non-interest bearing and are expected to be paid within twelve months from the end of the reporting period.

30. BORROWINGS

	Notes	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Current			
Bank loans, secured	a	60,084	50,105
Bank loans, unsecured	b	–	–
Other loans, secured	c	5,640	6,450
		65,724	56,555
Effective interest rate per annum		3.45%-14%	4.3%-14%

Notes:

- (a) The bank loans are secured by a corporate guarantee given by a subsidiary of the Company and personal guarantees provided by Mr. Liu and Ms. Qu, directors of the Company (Note 37), and are denominated in RMB.
- (b) The bank loan is unsecured and denominated in RMB.
- (c) Other borrowings are secured by a corporate guarantee given by a specific subsidiary of the Company and personal guarantees provided by Mr. Liu and Ms. Qu, directors of the Company (Note 37), and are denominated in RMB.

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30. BORROWINGS (Continued)

At the end of the reporting period, total current borrowings are scheduled to be repaid as follows:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
On demand or within one year	65,724	56,555

31. CONTRACT LIABILITIES

The contract liabilities mainly relate to the advance consideration received from customers. The following table shows the amounts of revenue recognised during the period that were included in the contract liabilities at the beginning of the reporting period:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Revenue recognised that was included in contract liabilities at the beginning of the year	32,277	28,179

Movement in contract liabilities:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
At the beginning of the year	36,452	28,179
Revenue recognised that was included in contract liabilities at the beginning of the year	(32,277)	(28,179)
Increase due to cash received, including amounts recognised as revenue during the year	381,848	1,946,469
Revenue recognised that was not included in contract liabilities at the beginning of the year	(340,033)	(1,910,017)
At the end of year	45,990	36,452

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32. AMOUNTS DUE TO SHAREHOLDERS

The amount payable to shareholders mainly relates to the two subscription agreements signed with two subscribers in respect of a total of 160,000,000 subscribable shares (with a subscription price of HKD0.25 per share) announced by the Group on 15 June 2024. One of the subscribers is an employee of the Group. This subscription was completed on 15 July 2024. The table below shows the amount contributed by this shareholder.

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Amounts due to shareholders	18,227	–

33. SHARE CAPITAL

	Number	Amount HKD'000	Amount RMB'000
Ordinary shares of par value of HKD0.0001 each			
Authorised share capital			
As at 1 January 2023	10,000,000,000	1,000	887
Increase in authorised share capital	–	–	–
As at 31 December 2023 and 1 January 2024	10,000,000,000	1,000	887
Increase in authorised share capital	–	–	–
As at 30 June 2024	10,000,000,000	1,000	887
Issued and fully paid			
As at 1 January 2023	800,000,000	80	72
Issue of shares	–	–	–
As at 31 December 2023 and 1 January 2024	800,000,000	80	72
Issue of shares (Note (i))	400,000,000	40	36
As at 30 June 2024	1,200,000,000	120	108

* Represents amount less than HKD1,000.

Notes:

- (i) On 28 December 2023, the Group announced its intention to offer a total of 400,000,000 shares at a par value of HKD0.0001 per share to the stock market, on the basis of one public offering share for each two shares held. The public offering was completed on 18 April 2024 and the number of ordinary shares increased to 1,200,000,000.

NOTES TO INTERIM FINANCIAL INFORMATION

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34. RESERVES

(a) The Group

Details of the movements in the reserves of the Group during the reporting period are set out in the consolidated statement of changes in equity.

(b) The Company

	Share premium RMB'000	Accumulated Losses RMB'000	FVTOCI reserve (recoverable) RMB'000	Total RMB'000
As at 1 January 2023	323,582	(33,886)	–	289,696
Loss for the current period	–	(2,023)	–	(2,023)
Other comprehensive income				
– Expected credit loss on debt instrument measured at fair value through other comprehensive income	–	–	356	356
– Fair value changes on debt instrument measured at fair value through other comprehensive income	–	–	(255)	(255)
As at 31 December 2023 and 1 January 2024	323,582	(35,909)	101	287,774
Issue of shares	54,551			54,551
Loss for the current period		(791)		(791)
Other comprehensive income				
– Expected credit loss on debt instrument measured at fair value through other comprehensive income			(356)	(356)
– Fair value changes on debt instrument measured at fair value through other comprehensive income			255	255
As at 30 June 2024	378,133	(36,700)	–	341,433

34. RESERVES (Continued)

- (c) The following describes the nature and purpose of each reserve within owners' equity.

Reserves	Description and Purpose
Share premium	Share premium represents consideration received in excess of the nominal value of the Company's share and deemed capital contribution from shareholders.
Statutory Reserve	In accordance with the relevant PRC laws and regulations and articles of association, the PRC subsidiaries are required to transfer 10% of their net profit as determined in accordance with accounting rules and regulations to the statutory reserve until the reserve reaches 50% of the registered capital. The transfer to this reserve must be made before distributions to equity shareholders. This reserve can be utilised in setting off accumulated losses or increasing capital and is non-distributable other than in the event of liquidation.
Merger Reserve	It represents the difference between the nominal value of shares issued by the Company and the aggregate fully paid registered capital of PRC subsidiaries acquired pursuant to the Group Reorganisation and additional capital contribution from controlling shareholders.
FVTOCI reserve (recoverable)	The balance represents the fair value reserve comprising the cumulative net change in the fair value of equity investment designated at FVTOCI under HKFRS 9 that is held at the end of the reporting period.
Retained earnings/(accumulated losses)	The balance represents cumulative net profit and loss recognised in profit and loss.

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35. HOLDING COMPANY'S STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Non-current assets			
Interests in subsidiaries		—*	—*
Amounts due from subsidiaries		354,077	256,723
Prepayments, deposits and other receivables		235	—
Prepayment of property, plant and equipment		13,400	13,400
Total non-current assets		367,712	270,123
Current assets			
Financial assets at fair value through other comprehensive income		—	18,711
Other receivables		—	129
Cash and cash equivalents		2,395	160
Total current assets		2,395	19,000
Total assets		370,107	289,123
Current liabilities			
Amounts due to shareholders		18,227	—
Other payables and accruals		10,339	1,277
Total current liabilities		28,566	1,277
Net current assets (liabilities)		(26,171)	17,723
Total assets less current liabilities		341,541	287,846
Net assets		341,541	287,846
Equity attributable to owners of the Company			
Share capital	33	108	72
Reserves	34	341,433	287,774
Total equity		341,541	287,846

* Refers to the amount less than RMB1,000.

Mr. Liu Jianhui
Executive Director

Mr. Chen Shancheng
Executive Director

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36. DETAILS OF MAJOR SUBSIDIARIES

Name of Subsidiary	Registration, Place and Date of Establishment, and Form of Business Structure	Percentage of the Company's Stock Rights				Issued and Fully Paid Ordinary Share Capital or Registered Capital	Principal Business and Principal Place of Business
		30 June 2024		31 December 2023			
		Direct	Indirect	Direct	Indirect		
Many Idea Interactive Limited (Many Idea BVI)	British Virgin Islands (BVI) 9 July 2021 limited liability company	-	100%	-	100%	Issued and paid share capital USD1	Investment holding, the British Virgin Islands
Many Idea Interactive Technology (Hong Kong) Limited (Many Idea Hong Kong)	Hong Kong 26 July 2021 limited liability company	-	100%	-	100%	Issued and paid share capital HKD1	Provide integrated marketing service, Hong Kong
Xiamen Many Idea Interactive Cloud Technology Co., Ltd.* (Xiamen Many Idea Cloud)	PRC 26 November 2021 limited liability company	-	100%	-	100%	Registered capital: RMB200,000,000	Investment holding, China
Xiamen Instant Interactive Culture Communication Co., Ltd. (Xiamen Instant Interactive)	PRC 11 May 2021 limited liability company	-	100%	-	100%	Registered capital: RMB300,000,000	Provide integrated marketing service, China
Beijing Many Idea Cloud Technology Co., Ltd.* (Beijing Many Idea Cloud)	PRC 24 November 2021 limited liability company	-	99%	-	99%	Registered capital: RMB1,000,000	Provide integrated marketing service, China
Shanghai Senyu Advertising Co., Ltd.* (Shanghai Senyu)	PRC 12 December 2012 limited liability company	-	100%	-	100%	Registered capital: RMB30,000,000	Provide integrated marketing service, China
Jiangxi Meita Culture Communication Co., Ltd.* (Jiangxi Meita)	PRC 6 June 2016 limited liability company	-	100%	-	100%	Registered capital and paid share capital: RMB15,000,000	Provide integrated marketing service, China
Xiamen Second Future Technology Co., Ltd.* (Xiamen Second Future)	PRC 14 July 2016 limited liability company	-	100%	-	100%	Registered capital: RMB50,000,000	Provide integrated marketing service, China
Xinjiang Kashi Lianjie Culture Communication Co., Ltd.* (Xinjiang Kashi) (Xinjiang Kashi)	PRC 5 April 2016 limited liability company	-	100%	-	100%	Registered capital and paid share capital: RMB5,000,000	Provide integrated marketing service, China

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36. DETAILS OF MAJOR SUBSIDIARIES (Continued)

Name of Subsidiary	Registration, Place and Date of Establishment, and Form of Business Structure	Percentage of the Company's Stock Rights				Issued and Fully Paid Ordinary Share Capital or Registered Capital	Principal Business and Principal Place of Business
		30 June 2024		31 December 2023			
		Direct	Indirect	Direct	Indirect		
Quanzhou Many Idea Interactive Culture Communication Co., Ltd.* (Quanzhou Many Idea)	PRC 2 July 2018 limited liability company	-	100%	-	100%	Registered capital and paid share capital: RMB5,000,000	Provide integrated marketing service, China
Hainan Many Idea Future Culture Communication Co., Ltd.* (Hainan Many Idea)	PRC 19 March 2021 limited liability company	-	100%	-	100%	Registered capital: RMB5,000,000	Provide integrated marketing service, China
Xinjiang Many Idea Cloud Culture Communication Co., Ltd.* (Xinjiang Many Idea Cloud)	PRC 9 May 2022 limited liability company	-	100%	-	100%	Registered capital: RMB5,000,000	Provide integrated marketing service, China
Xiamen Kanhao Network Technology Co., Ltd.* (Xiamen Kanhao)	PRC 27 March 2023 limited liability company	-	100%	-	100%	Registered capital: RMB10,000,000	Provide integrated marketing service, China
Kanhao Zhizao (Xiamen) Technology Co., Ltd. ("Kanhao Zhizao")	PRC 26 December 2023 limited liability company	-	100%	-	100%	Registered capital: RMB30,000,000	Provide integrated marketing service, China
Many Idea Interactive (Xiamen) Enterprise Management Co., Ltd. (Many Idea Interactive (Xiamen))	PRC 30 January 2024 limited liability company	-	100%	-	-	Registered capital RMB150,000,000	Provide integrated marketing service, China
Wuhan Many Idea Cloud Technology Co., Ltd. (Wuhan Many Idea Cloud)	PRC 22 March 2024 limited liability company	-	100%	-	-	Registered capital RMB10,000,000	Provide integrated marketing service, China

* The English name of the subsidiary is a literal translation of its corresponding official Chinese name.

37. RELATED PARTY DISCLOSURES

(a) Compensation of key management personnel

The key management personnel of the Group represent directors and other senior management of the Group. Details of the remuneration paid to key management personnel during the six months ended on 30 June 2024 and the six months ended on 30 June 2023 are set out in Note 14 to the consolidated financial statements.

(b) Guarantees provided by related parties

As of 30 June 2024, the directors of the Group had provided personal guarantees to certain banks in order for the Group to obtain general banking loans (Note 30).

38. FINANCIAL RISK MANAGEMENT

The Group's main financial assets include trade receivables, deposits and other receivables, debt instruments measured at fair value through other comprehensive income, and cash and cash equivalents generated directly from its operations. The Group's main financial liabilities include trade payables, other payables and accrued expenses, borrowings, and lease liabilities. The primary purpose of these financial liabilities is to provide funds for the operations of the Group.

At the end of the reporting period, the Group did not issue or hold any financial instruments for trading. The main risks arising from the Group's financial instruments are credit risks, liquidity risks, interest rate risks, and foreign currency risks. In general, the Group adopts a conservative strategy in risk management.

(a) Credit risk

Credit risk is the risk that a counterparty fails to fulfill its obligations under financial instruments or client contracts, resulting in financial losses. The Group is exposed to credit risks arising from its business activities (mainly trade receivables), debt instruments measured at fair value through other comprehensive income, and bank deposits.

The Group's customers primarily consist of reputable companies, which is why the credit risk is considered to be relatively low. Due to the Group's continuous credit assessment of its debtors' financial conditions and close monitoring of the age of the balance of receivables, the credit risk associated with other receivables and debt instruments measured at fair value through other comprehensive income is extremely low. The Group follows up overdue balances. Additionally, the management individually and collectively reviews the recoverable amount of its receivables on each reporting date to ensure sufficient impairment losses for any amounts that are deemed irrecoverable. Throughout the reporting period, the Group has consistently adhered to its credit policy, which is considered to have effectively limited the Group's exposure to credit risk to an optimal level.

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38. FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

The Group applies the simplified approach to provide for expected credit losses as prescribed by HKFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables from transactions that is within the scope of HKFRS 15. Management has assessed the risk of counterparty default and Note 22 details the provision for losses recognised during the reporting period.

To measure the expected credit losses, trade receivables were grouped based on shared credit risk characteristics and the days past due. The provision is determined as follows:

	Not Yet Past Due	Less than 6 Months Past Due	Over 6 Months but Less Than 12 Months Past Due	Over 12 Months but Less Than 18 Months Past Due	Over 18 Months but Less Than 24 Months Past Due	Over 24 Months Past Due	Total
As at 30 June 2024							
Expected Loss Rate	6.07%	17.57%	45.22%	100.00%	100.00%	100.00%	25.01%
Gross carrying amount (RMB'000)	335,882	117,701	61,118	23,056	15,518	41,465	594,740
Loss allowance provision (RMB'000)	20,388	20,685	27,640	23,056	15,518	41,466	148,753
As at 31 December 2023							
Expected Loss Rate	6.07%	17.57%	48.02%	100.00%	100.00%	100.00%	26.23%
Gross carrying amount (RMB'000)	240,387	76,605	47,243	18,171	25,603	16,968	424,977
Loss allowance provision (RMB'000)	14,591	13,463	22,686	18,171	25,603	16,968	111,482

As at 30 June 2024 and 31 December 2023, the fair value of trade receivables was close to their carrying value. On the reporting date, the maximum credit risk exposure was equal to the carrying value of the aforementioned types of receivables. The Group does not hold any collateral or credit enhancement for these balances.

38. FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

The Group had a concentration of credit risk as certain of the Group's trade receivables were due from the Group's five largest customers as detailed below.

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Five Largest Customers	232,213	218,794

The Group's main bank balances are deposited in banks with good reputations and high ratings given by international credit rating agencies. Therefore, the management expects that no losses will be incurred due to defaults by these banks.

(b) Liquidity risk

When it comes to managing liquidity risks, the Group's policy is to regularly monitor its liquidity requirements and compliance with loan covenants, in order to maintain sufficient cash reserves and adequate committed funding amounts from major banks to meet both short-term and long-term liquidity needs. The liquidity policies have been followed by the Group during the reporting period and are considered to have been effective in managing liquidity risk.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table is drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group is required to repay its financial liabilities. The maturity dates for other non-derivative financial liabilities are determined based on the agreed repayment dates. The table includes both interest and principal cash flows. To the extent that the interest rate is floating rate, the undiscounted amount is derived from interest rates at the end of the reporting period.

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38. FINANCIAL RISK MANAGEMENT (Continued)

(b) Liquidity risk (Continued)

	Interest Rate	Carrying Amount RMB'000	Total Contractual Undiscounted Cash Flow RMB'000	Within 1 Year or on Demand RMB'000	More than 1 but less than 2 Years RMB'000	More than 2 but less than 5 Years RMB'000	More than 5 Years RMB'000
As at 30 June 2024							
Trade payables	N/A	36,537	36,537	36,537	-	-	-
Other payables and accruals	N/A	5,993	5,993	5,993	-	-	-
Borrowings	3.45%-14.00%	65,724	67,027	67,027	-	-	-
Lease liabilities	4.60%	3,882	4,141	1,482	1,499	1,160	-
		112,136	113,698	111,039	1,499	1,160	-
As at 31 December 2023							
Trade payables	N/A	18,483	18,483	18,483	-	-	-
Other payables and accruals	N/A	6,740	6,740	6,740	-	-	-
Borrowings	4.30%-14.00%	56,555	58,112	58,112	-	-	-
Lease liabilities	4.60%-5.29%	859	934	486	102	346	-
		82,637	84,269	83,821	102	346	-

38. FINANCIAL RISK MANAGEMENT (Continued)

(c) Interest rate risk

Interest rate risk means the risk of fluctuation of fair value or future cash flows of financial instruments which arise from changes in interest rates. Floating interest rate instruments will result in the Group facing cash flow interest rate risk, and fixed interest rate instruments will result in the Group facing fair value interest rate risk.

Other than cash at banks in Note 26 and debt instruments measured at fair value through other comprehensive income in Note 21, the Group does not have significant interest-bearing assets. Any change in the interest rate promulgated by banks from time to time is not considered to have a significant impact on the Group.

The Group's fair value interest-rate risk mainly arises from borrowings as disclosed in Note 30 and debt instruments measured at fair value through other comprehensive income in Note 21. Such instruments were issued at fixed rates which expose the Group to fair value interest-rate risk. The Group has no cash flow interest-rate risk as there are no borrowings which bear floating interest rates. The Group has not used any financial instruments to hedge potential fluctuations in interest rates.

The interest rates and terms of repayment of the Group's borrowings and debt instruments measured at fair value through other comprehensive income are disclosed in Note 30 and Note 21.

(d) Foreign currency risk

The Group is exposed to various foreign currency risks, primarily with respect to the United States dollars ("USD") and Hong Kong dollars ("HKD") as the Group's bank balances are denominated in various currencies. The Group has not entered into any derivative instruments to hedge its foreign exchange risk.

As at 30 June 2024, if the USD and HKD had weakened/strengthened by 0.5% against the RMB with all other variables held constant, profit for the current period would increase/decrease by RMB20,000 respectively (2023: RMB3,000) and equity for the current period would also increase/decrease by RMB20,000 respectively (2023: RMB3,000), mainly as a result of net foreign exchange losses/gains on the USD and HKD denominated bank balances. The Group's management manages foreign currency risks by closely monitoring the exchange rate movement and changes in market conditions that may have a significant impact on the operations and financial performance.

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38. FINANCIAL RISK MANAGEMENT (Continued)

(e) Capital risk management

The Group's capital management objectives are to safeguard the Group's ability to continue as a going concern to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. No changes in the Group's objectives, policies or processes were made during the reporting period.

The Group monitors capital using a gearing ratio (which is total debt divided by total capital plus total debt). Total debt is calculated as borrowings and lease liabilities. Capital includes equity attributable to owners of the Company.

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Total debt	69,606	57,414
Equity attributable to owners of the Company	638,190	576,515
Total debt and equity	707,796	633,939
Gearing ratio	10%	9%

38. FINANCIAL RISK MANAGEMENT (Continued)

(f) Fair value

Financial instruments not measured at fair value

Financial instruments not measured at fair value mainly include trade receivables, deposits and other receivables, cash and cash equivalents, trade payables, other payables and accruals, borrowings, and liability portion of convertible bonds. Due to their short-term nature, the carrying value of such instruments approximates fair value.

Financial instruments measured at fair value

Financial instruments measured at fair value include financial assets measured at fair value through other comprehensive income and the conversion option derivative of convertible bonds measured at fair value through current profit or loss. The Group's financial instruments measured at fair value as at 2024 and 2023 are categorised by the level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's assets that are measured at fair value for the six months ended 30 June 2024.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
30 June 2024			
Assets			
Financial assets at fair value through other comprehensive income	–	–	2,101
31 December 2023			
Assets			
Financial assets at fair value through other comprehensive income	–	–	18,721

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38. FINANCIAL RISK MANAGEMENT (Continued)

(f) Fair value (continued)

The financial assets measured at fair value through other comprehensive income represent the unlisted equity investments and debt instruments (Note 21). The fair value for the six months ended 30 June 2024 is determined with reference to a valuation report issued by an independent valuation expert using the revenue approach.

The financial liabilities at FVTPL represent the conversion option derivative portion of the convertible bonds. The fair value is determined with reference to a valuation report issued by an independent valuation expert using the Binomial Tree option pricing model.

The determination of the fair value of the conversion option derivative portion of the convertible bonds is based on certain parameters (including stock price and its volatility, exercise price, option life and risk-free interest rate) which are unobservable. The significant unobservable input is shown below:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Financial liabilities at fair value through profit or loss		
Volatility in stock price	N/A	N/A

An increase in volatility by 1% would increase the fair value of financial liabilities at FVTPL by nil (2023: nil), whilst a decrease in volatility by 1% would decrease the fair value of the financial liabilities at FVTPL by nil (2023: nil).

38. FINANCIAL RISK MANAGEMENT (Continued)

(f) Fair value (continued)

Reconciliation for financial instruments carried at fair value based on significant unobservable inputs (Level 3) are as follows:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Assets		
At the beginning of the year	18,721	17,390
Additions	2,101	10
Disposal	(18,721)	–
Interest income	–	1,066
Fair value change recognised in other comprehensive income	–	255
At the end of year	2,101	18,721
Liabilities		
At the beginning of the year	–	–
Convertible bonds issued	–	–
Gain on fair value changes on convertible bond – conversion option derivative	–	–
At the end of year	–	–

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39. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Financial assets		
<i>Financial assets at fair value through other comprehensive income – non-current</i>		
Equity instruments	–	10
<i>Financial assets at amortised cost – non-current</i>		
Deposit	–	–
	–	10
<i>Financial assets at fair value through other comprehensive income – current</i>		
Debt instruments	2,101	18,711
<i>Financial assets at amortised cost – current</i>		
Trade receivables	445,987	313,495
Deposits and other receivables	6,473	1,068
Cash and cash equivalents	14,768	26,131
	469,329	359,405
	469,329	359,415
<i>Financial liabilities at amortised cost – current</i>		
Trade payables	36,537	18,483
Other payables and accruals	5,993	6,740
Borrowings	65,724	56,555
Lease liabilities	1,333	459
	109,587	82,237
<i>Financial liabilities at amortised cost – non-current</i>		
Lease liabilities	2,549	400
	2,549	400
	112,136	81,637

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40. NOTES SUPPORTING CONSOLIDATED STATEMENT OF CASH FLOWS

	Borrowings (Note 30) RMB'000	Lease liabilities (Note 19) RMB'000	Convertible bonds RMB'000	Total RMB'000
(Unaudited)				
As at 1 January 2024	56,555	859	–	57,414
<i>Changes from cash flow:</i>				
Proceeds from bank borrowings	20,000	–	–	20,000
Repayment of bank borrowings	(10,000)	–	–	(10,000)
Proceeds from third-party borrowings	13,140	–	–	13,140
Repayment of loans from third parties	(13,950)	–	–	(13,950)
Income from lease change	–	(458)	–	(458)
Repayment of principal portion	–	(756)	–	(756)
New lease liabilities	–	4,237	–	4,237
Interest paid	(1,754)	(28)	–	(1,782)
	7,436	2,995	–	10,431
<i>Other changes:</i>				
Interest expenses (Note 10)	1,733	28	–	1,761
	1,733	28	–	1,761
As at 30 June 2024	65,724	3,882	–	69,606

NOTES TO INTERIM FINANCIAL INFORMATION

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40. NOTES SUPPORTING CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

	Borrowings (Note 30) RMB'000	Lease liabilities (Note 19) RMB'000	Convertible bonds RMB'000	Total RMB'000
(Unaudited)				
As at 1 January 2023	32,052	4,018	37,187	73,257
<i>Changes from cash flow:</i>				
Proceeds from bank borrowings	30,000	–	–	30,000
Repayment of bank borrowings	(32,000)	–	–	(32,000)
Repayment of principal portion	–	(713)	–	(713)
Repayment of convertible bonds	–	–	(33,813)	(33,813)
Interest paid	(1,007)	(92)	(2,729)	(3,828)
	(3,007)	(805)	(36,542)	(40,354)
<i>Other changes:</i>				
Interest expenses (Note 10)	996	–	645	1,641
Imputed interest incurred on lease payments (Note 10)	–	92	–	92
	996	92	645	1,733
As at 30 June 2023	30,041	3,305	1,290	34,636

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41. CAPITAL COMMITMENTS

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Capital expenditure contracted for but not provided in the financial statements in respect of property, plant and equipment	11,090	11,090

42. EVENT AFTER THE REPORTING DATE

On 15 June 2024, the Group announced to enter into two subscription agreements with two subscribers for a total of 160,000,000 subscription shares at a subscription price of HKD0.25 per share. Subscriber A is an independent private equity fund company, while Subscriber B is an employee of the Group. The subscription was completed on 15 July 2024, with total proceeds from the subscription being approximately HKD40,000,000. After the completion of the subscription, the number of ordinary shares of the Company increased to 1,360,000,000.

Save as disclosed above, neither the Company nor the Group had experienced any significant events from the end of the reporting period up to the date of authorisation for the issuance of these consolidated financial statements.

INTERPRETATIONS

“Audit Committee”	refers to	Audit Committee of the Company
“Board”	refers to	Board of Directors of the Company
“Company”	refers to	Many Idea Cloud Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability on 10 June 2021
“CG Code”	refers to	Corporate Governance Code set out in Appendix C1 to the Listing Rules
“Directors”	refers to	Directors of the Company
“Hong Kong Stock Exchange”	refers to	The Stock Exchange of Hong Kong Limited
“Listing”	refers to	The shares of the Company listed on the Main Board of the Hong Kong Stock Exchange on 9 November 2022
“Listing Rules”	refers to	Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Model Code”	refers to	The Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“SFO”	refers to	The Securities and Futures Ordinance
“Shareholder”	refers to	Holders of shares of the Company
“Share Option Scheme”	refers to	The share option scheme conditionally adopted by a resolution of the Shareholders passed on 12 October 2022
“Group” or “We”	refers to	The Company and its subsidiaries